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**UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
LOS ANGELES DIVISION**

In re:
AWTR Liquidation, Inc.,
f/k/a Rhythm And Hues, Inc.,
Debtor and Debtor in
Possession.

Thomas C. Capizzi,
Plaintiff,

v.
AWTR Liquidation, Inc.,
f/k/a Rhythm And Hues, Inc.,
Defendant.

Thomas C. Capizzi and Anthony Barcelo,
Plaintiff,

v.
AWTR Liquidation, Inc.,
f/k/a Rhythm And Hues, Inc.,
Defendant.

Chapter 11

Case No. 2:13-bk-13775-NB

Adv. No.: 2:13-ap-01463-NB

Adv. No.: 2:13-ap-01209-NB

**JOINT MOTION OF DEBTOR, COMMITTEE AND
PROPOSED CLASS REPRESENTATIVES, IN
ACCORDANCE WITH PROPOSED STIPULATION
OF CLASS SETTLEMENT: (A) TO APPROVE
PROPOSED COMPROMISE OF CLAIMS IN
ADVERSARY PROCEEDINGS; AND (B) IN
ACCORDANCE WITH FED. R. BANKR. P. 7023,
TO (I) PRELIMINARILY APPROVE
SETTLEMENT BETWEEN DEBTOR AND
CERTAIN FORMER EMPLOYEES, (II) APPROVE
FORM AND MANNER OF NOTICE OF
SETTLEMENT, (III) SCHEDULE FAIRNESS
HEARING TO CONSIDER FINAL APPROVAL OF
SETTLEMENT, AND (IV) SUBSEQUENT TO
FAIRNESS HEARING, FINALLY APPROVE
SETTLEMENT; MEMORANDUM OF POINTS
AND AUTHORITIES; DECLARATIONS OF JOHN
F. HEDGE, THOMAS C. CAPIZZI AND ANTHONY
BARCELO IN SUPPORT THEREOF**

Date: [TO BE SET]

Time: [TO BE SET]

Place: Courtroom 1545

**TO THE HONORABLE NEIL W. BASON, UNITED STATES BANKRUPTCY
JUDGE:**

Debtor and Debtor in Possession AWTR Liquidation, Inc., f/k/a Rhythm And Hues, Inc. (the “Debtor”), the Official Committee of Unsecured Creditors (the “Committee”), and Thomas Capizzi and Anthony Barcelo, as Putative Class Plaintiffs in Adversary Proceeding Nos. 2:13-ap-01209-NB and 2:13-ap-01463-NB (the “Plaintiffs” and, together with the Debtor and the Committee, herein the “Movants” or the “Parties”), hereby jointly move this Court to:

1. Approve, pursuant to Rule 9019(a) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), a proposed compromise between the Debtor and the Committee, on the one hand, and the Plaintiffs on the other, of the claims asserted in the Adversary Proceedings (as defined below), under the terms of the concurrently filed *Stipulation of Class Settlement* [Docket No. 358] (the “Settlement Stipulation”), a copy of which is attached hereto as Exhibit A.¹

2. Preliminarily approve, pursuant to Rule 23 of the Federal Rules of Civil Procedure (the “Federal Rules”), as incorporated herein by Rule 7023 of the Bankruptcy Rules, the settlement of the purported class action adversary proceeding styled as *Thomas C. Capizzi and Anthony Barcelo, on behalf of themselves and all persons similarly situated v. AWTR Liquidation, Inc.*; Adv. Proc. No. 2:13-ap-01209-NB (“Capizzi I”), pursuant to which plaintiffs Thomas C. Capizzi and Anthony Barcelo (i) allege violations of the Worker Adjustment and Retraining Notification Act of 1988, 29 U.S.C. §§ 2101-2109 (the “Federal WARN Act”) and its California counterpart, California Labor Code §§ 1400-1408 (the “CA WARN Act”) (collectively referred to as the “WARN Acts”) based on their termination by the Debtor as part of, or as a result of, an alleged mass layoff implemented by the Debtor on or about February 10, 2013, and (ii) seek 60 days’ wages and ERISA benefits for themselves and other similarly situated employees, and payment of their attorneys’ fees;

3. Preliminarily approve the settlement of the class action adversary proceeding styled as *Thomas C. Capizzi on behalf of himself and all persons similarly situated v. AWTR*

¹ Capitalized terms not otherwise described herein shall have the meanings ascribed to them in the Settlement Stipulation.

1 *Liquidation, Inc.*; Adv. Proc. No. 2:13-ap-01463-NB (“Capizzi II”, and together with Capizzi I,
2 the “Adversary Proceedings”), pursuant to which plaintiff Thomas C. Capizzi (a) alleges
3 violations of the California Labor Code §§ 201 and 203 (Labor Code §§ 201 and 203) based on
4 his termination as a part of, or as a result of, a mass layoff allegedly implemented by the Debtor
5 on or about February 10, 2013, and (b) alleges that plaintiff and such similarly situated employees
6 are due their unpaid earned compensation plus penalties equal to thirty days of wages, pursuant to
7 California Labor Code § 203, all as set forth in further detail in the Settlement Stipulation;

8 4. Certify, for settlement purposes only, a class in Capizzi I and a class in Capizzi II,
9 as hereafter described (the “Capizzi I Class” and the “Capizzi II Class” or collectively, the
10 “Settlement Classes”);

11 5. Appoint, for settlement purposes only, Thomas C. Capizzi and Anthony Barcelo as
12 class representatives of both Settlement Classes;

13 6. Preliminarily appoint, for settlement purposes only, the law firms of Lankenau &
14 Miller, The Gardner Firm, P.C., Outten & Golden LLP and Reeder Law Corporation as counsel
15 for the Settlement Classes (“Class Counsel”);

16 7. Enter an order directing the dissemination of notices of the Settlement Stipulation
17 to the members of the Settlement Classes;

18 8. Schedule a fairness hearing to consider final approval of the settlement; and

19 9. Issue a second order subsequent to the fairness hearing, finally approving the
20 Settlement Stipulation.

21 As discussed in the attached Memorandum of Points and Authorities and Declaration of
22 John F. Hedge in support thereof (the “Hedge Declaration”), the proposed compromise as
23 embodied in the Settlement Stipulation provides a means for consensually resolving the
24 Adversary Proceedings in full. Moreover, the proposed settlement permits the Debtor and the
25 Committee to propose a confirmable chapter 11 plan of liquidation in this case. As further set
26 forth in the Settlement Stipulation, the terms of the proposed compromise are as follows:

- 27 • In full settlement of the claims of the Capizzi I Class for alleged violations of the
28 WARN Acts, the Debtor shall, upon the Effective Date of the Plan, transmit One

Million (\$1,000,000.00) Dollars (the “WARN Act Common Fund”) to Class Counsel via wire transfer, according to instructions to be supplied by Class Counsel. The WARN Act Common Fund shall then be distributed by Class Counsel as follows: (i) the sum of \$10,000 to each of the two Class Representatives for their Service Fees, and (ii) the balance of \$980,000, minus one-third for attorney fees, plus reimbursement of court costs and litigation expenses, or as shall be further approved by the Court after notice provided to the Capizzi I Class and the Capizzi II Class, shall be divided among the Capizzi I Class members who do not opt-out of this settlement on a *pro rata* basis according to the gross settlement claim amounts for the Capizzi I Class members set forth on Exhibit 1 to the Settlement Stipulation.

- The Allowed Priority Wage/Benefit Claims (as defined in the Settlement Stipulation) held by the members of the Settlement Classes will be paid in accordance with the Plan on or as soon as reasonably practicable after the Effective Date of the Plan. Further, the Allowed Unsecured Wage/Benefit Claims of the Settlement Classes will be paid in accordance with the Plan.
- If any member of the proposed Settlement Classes timely and properly elects to opt out of the proposed class, that claimant’s rights and obligations will be unaffected by the Settlement Stipulation and that claimant will have the same rights and obligations as he or she would have had if the Adversary Proceedings had never been filed and the Settlement Stipulation had never been executed. Any of the members of the Settlement Classes who elect to opt out shall not have an allowed claim against the Debtor by reason of the Settlement Stipulation. The rights of any such individual electing to opt out of the Settlement Classes, whether by reason of any individual proof of claim such party may have filed or otherwise, are unaffected by the Settlement Stipulation. The Debtor will retain all rights against any opt out party.

- In the event the aggregate number of members of either of the Settlement Classes who elect to opt out is in excess of five percent (5%) of the total number of claimants in either Settlement Class, then the Debtor and the Committee may elect, at their sole discretion, to terminate the Settlement Stipulation.

The Debtor believes that the proposed compromise is in all respects reasonable and that its entry into the Settlement Stipulation is a sound exercise of its business judgment. As discussed in the Memorandum of Points and Authorities, the Debtor believes that the result achieved through the Settlement Stipulation benefits the estate and all creditors because the prospects for litigation of the Adversary Proceedings were uncertain, and likely to be expensive and time consuming.

In addition, the Movants believe that the mechanics for approval of the transactions contemplated by the Settlement Stipulation, including the certification of the Settlement Classes and the preliminary and final approval of the proposed settlement with respect to those classes, and associated opt-out and notice procedures, are reasonable under the circumstances and should be approved.

This Motion is based on these moving papers, the Memorandum and Points and Authorities, the accompanying Hedge Declaration and the Declarations of Thomas C. Capizzi and Anthony Barcelo, and the exhibits thereto, the pleadings and papers on file in this case, and all documentary and testamentary evidence presented at or prior to the hearings in this matter.

WHEREFORE, the Movants request that this Court enter its order granting the relief described above, and for such other and further relief as the Court deems just and proper.

Dated: September 27, 2013

GREENBERG GLUSKER FIELDS CLAMAN
& MACHTINGER LLP

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MEMORANDUM OF POINTS AND AUTHORITIES²

I.

INTRODUCTION

This joint motion (the “Motion”) seeks approval of the proposed compromise of the Adversary Proceedings reached by the Movants under the terms of the Settlement Stipulation, a copy of which is attached as Exhibit A to the Hedge Declaration. The Settlement Stipulation will consensually resolve the Adversary Proceedings in full, and the compromise permits the Debtor and the Committee to propose a confirmable chapter 11 plan of liquidation in this case (as further described below, the “Plan”).

As set forth in detail in the Settlement Stipulation, the proposed compromise contemplates two separate “Settlement Classes,” whose members are identical: (1) the Capizzi I Class is comprised of all former employees of Debtor who worked at or reported to its facility located at 2100 East Grand Avenue, El Segundo, CA 90245 (the “Facility”) and were terminated allegedly without cause on or about February 10, 2013 and February 11, 2013, who do not file a timely request to opt-out of the class, and (2) the Capizzi II Class is comprised of all former employees of Debtor who worked at or reported to the Facility and were terminated on or about February 10, 2013 and February 11, 2013, who were not paid their earned compensation upon discharge and whose earned compensation remained unpaid after they were terminated for one or more days, and who do not file a timely request to opt-out of the class. As set forth in the Settlement Stipulation, the Debtor represents that there are 238 former employees who are potential members of the Settlement Classes.

Therefore, this Motion, in addition to seeking approval of the compromise itself as required by Rule 9019 of the Bankruptcy Rules, seeks certification of these two Settlement Classes and related relief as required under Rule 23 of the Federal Rules, which governs the conduct of class actions and is applicable in the Adversary Proceedings pursuant to Rule 7023 of the Bankruptcy Rules. Assuming the Court both approves the Debtor’s entry into the

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion or the Settlement Stipulation, as applicable.

1 compromise, and preliminarily approves this settlement under Rule 23, notices will be sent out to
2 both the Settlement Classes and, upon conclusion of the opt out period for both, the Movants will
3 seek final approval of the settlement, which will resolve Capizzi I and Capizzi II and, the
4 Movants' anticipate, allow for confirmation of the Plan.

5 **II.**

6 **FACTUAL BACKGROUND**

7 **A. General**

8 On February 13, 2013 (the "Petition Date"), the Debtor commenced its bankruptcy case
9 by filing a voluntary Petition under chapter 11 of title 11 of the United States Code, 11 U.S.C.
10 §§ 101 et seq. (the "Bankruptcy Code"). The Debtor continues to manage its affairs as a debtor in
11 possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No request for a trustee
12 or examiner has been made. The Committee was appointed in this case and has retained counsel.

13 The Debtor was formerly one of the world's leading producers of visual effects and
14 computer-generated animation for the entertainment industry, and received numerous industry
15 awards and accolades for its work, including three Academy Awards. In an effort to strengthen
16 its financial position, secure debtor-in-possession financing and find a buyer for its assets, the
17 Debtor commenced this chapter 11 case. The Debtor's chapter 11 filing preserved the going
18 concern value of the Debtor's business and allowed the Debtor to continue work on its existing
19 projects while it conducted a sale process.

20 Also as part of its filing, the Court approved the Debtor's entry into a debtor in possession
21 financing agreement (the "DIP Loan") with Universal City Studios LLC and Twentieth Century
22 Fox, a division of Twentieth Century Fox Film Corporation (together, the "DIP Lenders") in the
23 amount of \$17,086,000. The DIP Loan provided crucial financing to the Debtor and allowed it
24 time to locate a buyer so as to maximize value for creditors herein.

25 After a multi-day auction and a hearing, the Court approved the sale of substantially all of
26 the Debtor's assets to 34 x 118 Holdings, LLC ("Holdings" or the "Buyer") in accordance with
27 the Court's *Order: (A) Authorizing the Sale of Substantially all of the Debtor's Assets Free and*
28 *Clear of all Liens, Claims, Encumbrances and Other Interests; (B) Authorizing the Assumption*

1 *and Assignment of Certain Executory Contracts and Unexpired Leases in Connection Therewith;*
2 *and (C) Granting Related Relief dated April 4, 2013* [Docket No. 197] (the “Sale Order”). The
3 sale to the Buyer closed on April 8, 2013. As part of the sale, the Buyer paid the Debtor \$1.2
4 million in cash, and assumed a number of liabilities, including the outstanding obligations under
5 the DIP Loan, which was fully paid or assumed by Holdings.

6 In addition, the Debtor worked to obtain necessary Court orders to ensure the sale of the
7 real property (the “Building” or the “Property”) owned by the Debtor’s affiliate 2100 Grand, LLC
8 (“2100 Grand”) in which the Debtor conducted its operations. On May 1, 2013, as a result of the
9 sale of the Building, the Debtor received approximately \$4.2 million in cash on account of 2100
10 Grand’s obligations to the Debtor.

11 On June 14, 2013, the Debtor filed amendments to Schedules E and F [Docket No. 275]
12 (“Amended Schedules E and F”). Amended Schedules E and F reflected the Debtor’s calculation
13 of both unsecured priority claims for unpaid wages and benefits and general unsecured claims for
14 unpaid wages and benefits due to former employees, including (as defined below) the Terminated
15 Employees.

16 Currently, the Debtor no longer has any employees except for its President, John Hughes,
17 and John Hedge, the Debtor’s Chief Restructuring Officer. The estate holds the cash proceeds of
18 the sale to Holdings as well as the cash proceeds of the sale of the Building, in the total amount of
19 approximately \$6 million, all of which is free and clear cash of the estate. On September 24,
20 2013, the Debtor and the Committee filed their proposed *Joint Chapter 11 Plan of Liquidation*
21 *Filed by Debtor and Official Committee of Unsecured Creditors dated September 24, 2013*
22 [Docket No. 352] (the “Plan”) and accompanying *Disclosure Statement Describing Joint Chapter*
23 *11 Plan of Liquidation Filed by Debtor and Official Committee of Unsecured Creditors dated*
24 *September 24, 2013* [Docket No. 353] (the “Disclosure Statement”).

25 **B. The Terminations Which Occurred Prior to the Petition Date**

26 On February 10, 2013, the Debtor laid off approximately 236 employees from its Facility.
27 On February 11, 2013, the Debtor laid off approximately 2 additional employees from the Facility
28 (together with the 236 employees laid off on February 10, 2013, the “Terminated Employees”).

1 The Debtor alleges that it issued a WARN Act notice on or about February 10, 2013, purporting
2 to notify the Terminated Employees of their layoffs. Hedge Decl., ¶ 10.

3 **C. The Adversary Proceedings**

4 Following the filing of the Bankruptcy case, Plaintiffs commenced Capizzi I, a purported
5 class action adversary proceeding asserting claims under the WARN Acts against Debtor and
6 which was last amended on or about May 20, 2013. In Capizzi I, the Plaintiffs allege that they
7 and the Terminated Employees were terminated as part of, or as the result of, a mass layoff
8 implemented by the Debtor. In Capizzi I, Plaintiffs allege that Debtor failed to give the Plaintiffs
9 and the Terminated Employees at least 60 days' advance written notice of termination, as
10 required by the WARN Act. In Capizzi I, as a consequence of Debtor's alleged failure to give the
11 Plaintiffs and Terminated Employees at least 60 days' advance written notice of termination, the
12 Plaintiffs seek up to 60 days' pay and benefits for each Terminated Employee for the Debtor's
13 alleged WARN Acts violation. Capizzi I seeks an allowed first priority administrative expense
14 claim against the Debtor pursuant to 11 U.S.C. § 503(b)(1)(A) for the WARN Acts damages, and
15 also seeks, in the alternative, that the first \$11,725 of the WARN Acts damages be entitled to
16 priority status, under 11 U.S.C. § 507(a)(4) and (5), with any remainder as a general unsecured
17 claim. Capizzi I also seeks attorneys' fees and reimbursement of court costs and litigation
18 expenses.

19 Following the filing of the Bankruptcy Case, Capizzi also filed Capizzi II which seeks the
20 recovery of earned compensation that the Terminated Employees were owed upon their
21 terminations and wage continuation for each day that the wages remained unpaid (up to thirty
22 additional days) pursuant to California Labor Code §§ 201 and 203 (Labor Code §§ 201 and 203)
23 and which was last amended on or about May 20, 2013. Capizzi II alleges that Labor Code § 201
24 required Debtor to pay Plaintiff and the Terminated Employees their earned, but unpaid
25 compensation immediately upon discharge. Capizzi II also alleges that, since Debtor did not pay
26 Plaintiff and the Terminated Employees their earned, but unpaid compensation immediately upon
27 discharge, or within thirty days thereof, Labor Code § 203 required Debtor to also pay the
28 Terminated Employees' wages for 30 additional days beyond their terminations. Capizzi II

1 claims that the first \$11,725 of the amounts due the Terminated Employees pursuant to Labor
2 Code § 201 (plus interest in accord with Labor Code § 218.6) are entitled to priority status, under
3 11 U.S.C. § 507(a)(4) and (5), with the remaining balance as a general unsecured claim. Capizzi
4 II claims that wage continuation prepetition amounts due the Terminated Employees under Labor
5 Code § 203 (plus interest in accord with Labor Code § 218.6) are entitled to priority status, under
6 11 U.S.C. § 507(a)(4) up to a maximum of \$11,725, with any remainder as a general unsecured
7 claim. Capizzi II claims post-petition wage continuation amounts due the Terminated Employees
8 under Labor Code § 203 (plus interest in accord with Labor Code § 218.6) are entitled to
9 administrative priority claim status under 11 U.S.C. § 503. Capizzi II also seeks attorneys' fees,
10 reimbursement of court costs and litigation expenses.

11 On May 20, 2013, Plaintiffs filed a *Motion for (A) Class Certification, (B) Appointment of*
12 *Class Representatives, (C) Appointment of Class Counsel, (D) Approval of the Form and Manner*
13 *of Class Notice, and (E) Such Other and Further Relief as This Court May Deem Appropriate* in
14 Capizzi I, and Capizzi filed a *Motion for (A) Class Certification, (B) Appointment of Class*
15 *Representative, (C) Appointment of Class Counsel, (D) Approval of the Form and Manner of*
16 *Class Notice, and (E) Such Other and Further Relief as This Court May Deem Appropriate* in
17 Capizzi II. These motions are both pending, but were taken off calendar pursuant to stipulations
18 among the Parties.

19 **D. The Mediation**

20 In or about May 2013, the Movants began engaging in informal efforts to resolve both
21 Capizzi I and Capizzi II. On or about June 4, 2013, Plaintiffs sent the Debtor informal
22 information requests. Subsequent to June 4, 2013, and subject to an appropriate confidentiality
23 agreement, the Debtor provided certain information in response to Plaintiffs' informal
24 information requests, including the names, payroll information, hire dates, termination dates and
25 job titles of the Terminated Employees. The Plaintiffs and Debtor exchanged confidential
26 settlement position statements on July 26, 2013 and attempted to informally resolve Capizzi I and
27 Capizzi II during a telephone conference on July 29, 2013, but those efforts were unsuccessful.
28 The Movants then agreed to mediate Capizzi I and Capizzi II on August 27, 2013 before the

Honorable Mitchell Goldberg, United States Bankruptcy Judge, retired, and submitted confidential mediation briefs prior to the mediation. The Parties attended the mediation on August 27, 2013 and agreed, subject to approval of this Court, to resolve the Capizzi I and Capizzi II matters in accordance with the Settlement Stipulation.

III.

SUMMARY OF SETTLEMENT

The specific terms of the settlement are set forth in the Settlement Stipulation, filed concurrently herewith and attached as Exhibit A to the Hedge Declaration. As noted above, the settlement calls for two separate but identical classes of former California employees of the Debtor to be certified in Capizzi I and Capizzi II. The 238 members comprising both Settlement Classes are listed on Exhibit 1 to the Settlement Stipulation.

The Settlement Stipulation also provides that Capizzi and Barcelo shall serve as the Class Representatives for the Settlement Classes and that Lankenau & Miller, The Gardner Firm, P.C., Outten & Golden LLP and Reeder Law Corporation shall serve as Class Counsel to the Settlement Classes.³

In settlement of Capizzi I, the Debtor shall, upon the Effective Date of the Plan, transmit the total settlement sum of One Million (\$1,000,000.00) Dollars (the “WARN Act Common Fund”) to Class Counsel, which Class Counsel shall distribute as follows: (a) the sum of \$10,000 to each of the two Class Representatives (for a total of \$20,000) in consideration of their services as the Class Representatives for the Capizzi I Class (“Service Fees”), from which no attorney fees will be deducted, and (b) the balance of \$980,000, minus one third attorney fees, plus reimbursement of court costs and litigation expenses, shall be divided among the Capizzi I Class members who do not opt-out of this settlement on a pro rata basis according to the final pay rates and termination dates in the Debtor’s records and which Debtor has provided to Plaintiffs. The distributions contemplated in the Settlement Stipulation shall be mailed by Class Counsel to the Class Representatives and the Capizzi I Class members at their last known address indicated on Exhibit 1 to the Settlement Stipulation (or to such other address as the members of the Capizzi I

³ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Settlement Stipulation.

1 Class may indicate to Class Counsel or which Class Counsel may locate), along with an IRS
2 Form 1099.

3 In settlement of the Capizzi II claims, and in accordance with the Plan, the Debtor shall
4 pay the priority portion of the wages and/or benefits earned, but outstanding (“Allowed Priority
5 Wage/Benefit Claims”), to the members of the Settlement Classes in full on or as soon as
6 reasonably practicable after the Effective Date, with any non-priority general unsecured
7 remainder (“Allowed Unsecured Wage/Benefit Claims”) on such claims to be paid in accordance
8 with the Plan. Amounts paid to members of the Settlement Classes from the WARN Act
9 Common Fund shall have no effect on the Allowed Priority Wage/Benefit Claims or Allowed
10 Unsecured Wage/Benefit Claims due members of the Settlement Classes. Further, no attorney
11 fees will be deducted from the payments on the Allowed Priority Wage/Benefit Claims or
12 Allowed Unsecured Wage/Benefit Claims due members of the Settlement Classes.

13 The Settlement Stipulation further provides that upon distribution of the WARN Act
14 Common Fund to Class Counsel and the Effective Date of the Plan., the Capizzi I and Capizzi II
15 Class members who do not opt out of those classes, for and on behalf of themselves and their
16 respective predecessors, successors and assigns (collectively, the “Releasing Parties”), will
17 release the Debtor and the Committee from the claims in the Adversary Proceedings. Hedge
18 Decl., Exh. A, ¶ 10.

19 The Settlement Stipulation also provides that, in the event the aggregate number of
20 members of either of the Settlement Classes who elect to opt out is in excess of five percent (5%)
21 of the total number of either Settlement Class, then the Debtor and the Committee may elect, at
22 their sole discretion, to terminate the Settlement Stipulation. In the event the Settlement
23 Stipulation is terminated on this basis, then the Settlement Stipulation shall be voided and of no
24 force or effect and each of the Movants shall have the rights and be subject to the obligations they
25 had prior to the execution of the Settlement Stipulation.

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IV.

FORM OF NOTICES TO PROPOSED CLASS MEMBERS

In connection with the approval of the Settlement Stipulation, and as discussed in detail below, the standards set forth in Rule 23 of the Federal Rules, as incorporated herein by Rule 7023 of the Bankruptcy Rules are met. In this regard, the Movants have agreed upon the form of notices to be mailed to each of the members of the Settlement Classes, which notices are attached to the Hedge Declaration as Exhibit B (the Capizzi I Notice) and Exhibit C (the Capizzi II Notice) (collectively, the “Class Notices”). Movants request an order that no later than 10 business days after the entry of the Court's order preliminarily approving the Settlement Stipulation (the “Order of Preliminary Approval”), or such other time as approved by the Court, Class Counsel shall mail the Class Notices to each person in the Settlement Classes. As contained within Exhibit B, the Capizzi I Notice shall provide: (1) Notice of the Proposed Settlement of Class Action; (2) an individualized projected damage calculation, before and after the deduction of one third attorney fees, plus court costs and litigation expenses; (3) an “Opt-Out Notice Form” which allows each member to opt out of the Capizzi I Class so long as the Opt-Out Notice Form is received by Class Counsel, and the Debtor and the Committee, within 35 days after the mailing of the Capizzi I Notice, and (4) Notice of the Fairness Hearing. As contained within Exhibit C, the Capizzi II Notice shall provide: (1) Notice of the Proposed Settlement of Class Action; (2) the amounts of the Allowed Priority Wage/Benefit Claims to be paid on or as soon as reasonably practicable after the Effective Date and the Allowed Unsecured Wage/Benefit Claims amounts to be paid in accordance with the terms of the Plan; (3) an “Opt-Out Notice Form” which allows each member to opt out of the Capizzi II Class so long as the Opt-Out Notice Form is received by Class Counsel, and the Debtor and the Committee, within 35 days after the mailing of the Capizzi II Notice, and (4) Notice of the Fairness Hearing.

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V.

CAUSE EXISTS TO APPROVE THE DEBTOR'S ENTRY INTO THE SETTLEMENT

A. Compromises Are Favored in Bankruptcy

Bankruptcy Rule 9019(a) authorizes a bankruptcy court to approve a compromise or settlement after notice and a hearing, and section 105 of the Bankruptcy Code empowers a court to issue any order that is "necessary or appropriate". 11 U.S.C. § 105(a).

The purpose of a compromise agreement is to allow the [debtors] and the creditors to avoid the expenses and burdens associated with litigating sharply contested and dubious claims." *Martin v. Kane*, 784 F.2d 1377, 1380-1381 (9th Cir. 1986) ("*Martin*"). "[T]he bankruptcy court has great latitude in approving compromise agreements." *Woodson v. Firemen's Fund Ins. Co.*, 839 F.2d 610, 620 (9th Cir. 1988).

In deciding whether to approve a settlement agreement, a court should:

apprise itself of all facts necessary for an intelligent, and objective opinion of the probabilities of ultimate success should the claim be litigated. Further, the judge should form an educated estimate of the complexity, expense, and likely duration of such litigation, the possible difficulties in collecting any judgment which might be obtained, and all other factors relevant to a full and fair assessment of the wisdom of the proposed compromise.

Protective Committee for Independent Stockholders of TMT Trailer Ferry, Inc. v. Anderson, 390 U.S. 414, 424 (1968).

In *Martin*, 784 F.2d at 1381, the Ninth Circuit identified the following factors for consideration in determining the reasonableness, fairness, and equity of a proposed settlement: (a) the probability of success; (b) the difficulties, if any, to be encountered in the matter of collection; (c) the complexity of the litigation, and the expense, inconvenience, and delay necessarily attending it; and (d) the paramount interest of the creditors and a proper deference to their reasonable views in the premises.

Consideration of these factors does not require the Court to decide questions of law or make findings of fact raised by the controversies sought to be settled, or to determine whether the settlement presented is the best one that could possibly have been achieved. In approving a settlement agreement, the Court need not conduct an exhaustive investigation into the validity of,

1 nor a mini-trial upon, the merits, of the claims sought to be compromised. *United States v. Alaska*
2 *Nat'l Bank*, 669 F.2d 1325, 1328 (9th Cir. 1982). It is sufficient that the settlement agreement
3 was negotiated in good faith and is reasonable, fair and equitable. *Martin*, 784 F.2d at 1381. The
4 Court need only canvas the issues to determine whether the settlement falls "below the lowest
5 point in the zone of reasonableness." *Newman v. Stein*, 464 F.2d 689, 698 (2d Cir. 1972). *See*
6 *also, Anaconda-Ericsson Inc. v. Hessen*, 762 F.2d 185, 189 (2d Cir. 1985); *Cosoff v. Rodman*,
7 699 F.2d 599, 608 (2d Cir. 1983). Finally, although the Court should give deference to the
8 reasonable views of creditors, "objections do not rule. It is well established that compromises are
9 favored in bankruptcy." *In re Lee Way Holding Co.*, 120 B.R. 881, 901 (Bankr. S.D. Ohio 1990).

10 **B. The Proposed Compromise Should Be Approved**

11 The proposed compromise represents the resolution of claims which, if they had to be
12 litigated, would have entailed very significant administrative cost and considerable delay. In
13 contrast, the certainty created by the proposed settlement allows the Plan to be proposed and, it is
14 hoped, confirmed, allowing for the prompt resolution of this bankruptcy case, to the benefit of all
15 creditors herein. As such, the proposed compromise meets the A&C Properties factors and
16 should be approved by the Court.

17 1. Probability of Success in the Litigation

18 As noted above, the Adversary Proceedings seek the payment of, at least potentially,
19 millions of dollars on an administrative priority basis. The Debtor and the Committee believe
20 that under the circumstances, they have meritorious defenses to the assertion of claims under the
21 WARN Acts, including the so-called "faltering company" exception. However, the Debtor's
22 circumstances are somewhat unique, and therefore the ability to maintain the defenses is
23 unknown. In the final analysis, it seems likely that should the matter be litigated, there is a very
24 real chance of a trier of fact finding that liability exists under the WARN Acts.

25 More significant, however, is whether or not any resulting liability would be accorded
26 priority or administrative status under the Bankruptcy Code. Plaintiffs are insistent that
27 administrative claims would be the result of the Adversary Proceedings. For their part, the
28

Debtor and the Committee vigorously dispute that administrative claims exist in any way with respect to the claims in the Adversary Proceedings. Hedge Decl., ¶ 17.

It is true that colorable arguments can be made by Plaintiffs with respect to the entitlement to administrative priority claims based on, among other things, the revisions to section 503(b) of the Bankruptcy Code which were made in 2005. However, no controlling Ninth Circuit authority exists on the point. Therefore, at a minimum, and again although the Debtor and the Committee are confident in their position, the result of litigation on this issue is uncertain and subject to what might be a lengthy appellate review.

2. Difficulties in Collection

Because the Debtor is defending the Adversary Proceedings, the difficulty of collection factor does not come into play with respect to the proposed settlement of the Adversary Proceedings.

3. Complexity of Litigation and Expense, Inconvenience and Delay

There are three aspects to the complexity of litigation on the Adversary Proceedings, and the presence of each strongly militates in favor of an early settlement. First, Plaintiffs seek class certification in each of the Adversary Proceedings, which the Debtor contests for various reasons, including that certification under Rule 23 of the Federal Rules is improper with respect to potential administrative claims. Thus, without the settlement, motion practice would ensue on various fronts.

Secondly, the Debtor's defenses to the claims under the WARN Acts are fact intensive, and, the Debtor contends, could require discovery regarding, potentially, of each of the members of the class, or a minimum of 238 former employees. Discovery regarding the Debtor's financial affairs over a period of at least a year would be required, and doubtless the complicated pre-bankruptcy negotiations with the studios which eventually provided a DIP Loan to the Debtor would also be in issue. This discovery would be fact intensive and lengthy, significantly reducing the funds ultimately available for creditors. Hedge Decl., ¶ 20.

Finally, as discussed above, any ruling on whether or not any resulting damages under the WARN Acts would be entitled to administrative priority would be subject to highly contested

litigation. Moreover, the result of such litigation would doubtless be appealed, potentially delaying Plan proceedings – or at least the effectiveness of any confirmed Plan – for a year or more. Such delay likely would not benefit the Debtor’s former employees and the members of the Settlement Classes which retain claims for unpaid wages and benefits and who will receive payments relatively soon under the proposed settlement.

4. Paramount Interest of Creditors

The cooperation of the parties, and the early mediation of the Adversary Proceedings, has now yielded the compromise embodied in the Settlement Stipulation. Undoubtedly, the proposed compromise is beneficial to creditors, and especially all the former employees – not just the members of the Settlement Classes – because it clears the way for solicitation and, it is hoped, confirmation of the Plan. The prompt confirmation and effectiveness of the Plan will allow not only for payment of the WARN Act Common Fund, but also the Allowed Priority Wage/Benefit Claims of the former employees. On the other hand, without a settlement, and because of the large administrative claims which are asserted in the Adversary Proceedings, Plan proceedings might be delayed for a considerable length of time. The Debtor believes that all constituencies took this reality into account in reaching the proposed settlement. Hedge Decl., ¶ 22.

All in all, the Debtor submits that the proposed compromise is reasonable and adequate under the circumstances and should be approved. Moreover, the Debtor believes it is well within its business judgment in seeking to resolve the Adversary Proceedings by means of the settlement. Hedge Decl., ¶ 23.

VI.

THE SETTLEMENT STIPULATION SHOULD BE PRELIMINARILY APPROVED

A. Approval of Settlement Stipulation Under Rule 23

Fed. R. Civ. P. 23(e), made applicable by Fed. R. Bankr. P. 7023, provides that “[a] class action shall not be dismissed or compromised without the approval of the court.” Therefore, a court must carefully examine a class action settlement under Fed. R. Civ. P. 23(e) to ensure its “fairness, adequacy and reasonableness,” *County of Suffolk v. Long Island Lighting Co.*, 907 F.2d

1 1295, 1323 (2d Cir. 1990), and to ensure that the settlement was not a product of collusion
2 between the parties. *Joel A. v. Giuliani*, 218 F.3d 132, 138 (2d Cir. 2000).

3 Although Fed. R. Civ. P. 23(e) does not specify any particular procedure as to how a court
4 should review a class action settlement, a number of courts have adopted a two-step procedure,
5 consisting of preliminary approval of the settlement before notice is given to class members, and
6 a subsequent “fairness hearing,” at which all class members have an opportunity to be heard on
7 whether final approval of the settlement should be granted. *Armstrong v. Board of School*
8 *Directors*, 616 F.2d 305, 314 (7th Cir. 1980), *overruled on other grounds by Felzen v. Andreas*,
9 134 F.3d 873 (7th Cir. 1998); *In re Mid-Atlantic Toyota Antitrust Litig.*, 564 F. Supp.1379, 1384
10 (D. Md. 1983); *see also Bennett v. Behring Corp.*, 737 F.2d 982, 985 (11th Cir. 1984)
11 (preliminarily approving settlement and scheduling fairness hearing); *In re Sumitomo Copper*
12 *Litig.*, 189 F.R.D. 274, 278 (S.D.N.Y. 1999) (same); *Hickerson v. Velsicol Chem. Corp.*, 121
13 F.R.D. 67, 69 (N.D. Ill. 1988) (same); *Seiffer v. Topsy's Int'l, Inc.*, 70 F.R.D. 622, 625 (D. Kan.
14 1976) (same). The purpose of the preliminary approval is to evaluate the settlement to determine
15 whether “the proposed settlement appears to be the product of serious, informed, non-collusive
16 negotiations, has no obvious deficiencies, does not improperly grant preferential treatment to
17 class representatives or segments of the class, and falls within the range of possible approval.”
18 *Manual for Complex Litigation*, Second § 30.44 (1985); *see also Armstrong*, 616 F.2d at 314;
19 *Mid-Atlantic Toyota Antitrust Litig.*, 564 F. Supp. at 1384.

20 Consistent with the case law employing a two-step procedure, the movants request that the
21 Court, at the hearing on the Motion, grant preliminary approval of the Settlement Stipulation,
22 certify the Settlement Classes for settlement purposes only, set a date for a final hearing on the
23 Motion, approve the form of Class Notices and subsequent to the final fairness hearing, enter an
24 Order finally approving the Settlement Stipulation.

25 **B. A Presumption of Fairness Applies to the Settlement Stipulation**

26 When a proposed settlement is the result of arm’s-length negotiations, there is a
27 presumption that it is fair and reasonable. *See 2 Newberg & Conte, Newberg on Class Actions*
28 §11.41 at 11-88 (3d ed. 1992); *Manual for Complex Litigation* §30.42. Indeed, a trial court is

1 directed to operate under a presumption of fairness when, *inter alia*, the settlement is the result of
2 arms-length negotiation, there has been investigation and discovery that are sufficient to permit
3 counsel and the court to act intelligently, and counsel are experienced in similar litigation.

4 Due to the bankruptcy and limited assets in Debtor's estate, this matter was very time
5 sensitive, and in the interests of preserving the assets of the estate so as to maximize a potential
6 recovery for the members of the Settlement Classes, the Movants worked cooperatively in
7 exchanging information rather than conducting formal discovery. In this regard, the Movants
8 conferred and exchanged information informally prior to informal settlement negotiations, as well
9 as in advance of the all-day mediation, which the Parties attended in person. Thus, the Parties
10 were enabled to make an informed decision regarding settlement. The Parties believe the
11 settlement to be in the best interest of the Debtor, and the members of the Settlement Classes,
12 taking into account the costs and risks of continued litigation, as well as the current insolvency of
13 the estates. The opinion of experienced counsel supporting the settlement is entitled to
14 considerable weight. *See, e.g., In re First Capital Holdings Corp. Fin. Prods. Sec. Litig.*, 1992
15 U.S. Dist. LEXIS 14337, at *8 (C.D. Cal. June 10, 1992) (finding belief of counsel that the
16 proposed settlement represented the most beneficial result for the class to be a compelling factor
17 in approving settlement); *Kirkorian v. Borelli*, 695 F.Supp.446, 451 (N.D. Cal. 1988) (opinion of
18 experienced counsel is entitled to considerable weight); *Boyd v. Bechtel Corp.*, 485 F.Supp. 610,
19 622 (N.D. Cal. 1979) (recommendations of plaintiff's counsel should be given a presumption of
20 reasonableness). Thus, this Court should grant this Motion.

21 Preliminary approval of the settlement should be granted if there are no "grounds to doubt
22 its fairness or other obvious deficiencies, such as unduly preferential treatment of class
23 representatives or segments of the class, or excessive compensation for attorneys, and appear to
24 fall within the range of possible approval." *Manual for Complex Litigation* §30.41, at 236-37 (3d
25 ed. 1995). The proposed Settlement Stipulation satisfies the standard for preliminary approval as
26 it is within the range of possible approval and there are no grounds to doubt its fairness. The
27 Plaintiffs allege that the maximum theoretical claims under the WARN Acts of the Capizzi I
28 Class is approximately \$3,600,000. While Debtor and Committee contend that the WARN claims

1 were without merit, if Plaintiffs had prevailed, Plaintiffs contend the WARN claims should be
2 entitled to administrative priority status. Debtor and Committee dispute this and contend that, at
3 best, the damages under the WARN Acts would be entitled to wage priority and suggest that after
4 the payment of the Allowed Priority Wage/Benefit Claims owed to the Terminated Employees,
5 less than one million dollars (in the aggregate) of the maximum WARN damages would have
6 been eligible for priority wage status due to the application of the statutory cap on such claims.
7 The settlement resolves the disputes over these issues and provides members of the Settlement
8 Classes with their Allowed Priority Wage/Benefit Claims, on or as soon as reasonably practicable
9 after the Effective Date, as well as payment of their Allowed Unsecured Wage/Benefit Claims, in
10 accordance with the Plan, in resolution of their claims in Capizzi II, as well as their *pro rata* share
11 of the WARN Act Common Fund.

12 With regard to the Capizzi I Class, the settlement provides meaningful redress for the
13 Class Members who were terminated from their jobs, allegedly without notice required under the
14 WARN Acts. While the Debtor and the Committee maintain that one or more exceptions to the
15 WARN Acts' notice requirements may justify the lack of notice to the employees, both recognize
16 that the Debtor may have liability under the WARN Acts, as well as for the unpaid wages owed to
17 the Terminated Employees and further recognize the advantages of settlement to avoid additional
18 expense and uncertainty. Because the WARN Acts are fee shifting statutes, if the litigation
19 continues and Capizzi I or Capizzi II are certified as class actions and the Plaintiffs prevail, the
20 Debtor will bear the expense of its own, as well as Class Counsel's, professional fees and costs.
21 The Settlement Stipulation further provides for prompt payment of the settlement funds to
22 Capizzi I Class members and prompt payment of the Allowed Priority Wage/Benefit Claims in
23 accordance with the Plan, without the delay of awaiting liquidation of the remainder of the estate.
24 Likewise, the Settlement Stipulation will provide for dismissal of the Capizzi I and Capizzi II
25 adversary proceedings.

26 Thus, the Movants believe that the settlement will provide substantial benefits to Class
27 Members, reduce litigation costs, eliminate uncertainty, and provide finality to the pending
28 Capizzi I and Capizzi II adversary proceedings.

1 **C. The Settlement Classes Should Be Preliminarily Certified**

2 Under Fed. R. Civ. P. 23, to maintain a class action, the following conditions must be met:
3 (1) the class is so numerous that joinder of all members is impracticable; (2) there are questions of
4 law or fact common to the class; (3) the claims or defenses of the representative parties are typical
5 of the claims or defenses of the class; and (4) the representative parties will fairly and adequately
6 protect the interest of the class. Both Settlement Classes, which contain identical members,
7 satisfy all the prerequisites to maintain a class action under Fed. R. Civ. P. 23 are met.

8 First, the numerosity requirement is satisfied in that the proposed Settlement Classes
9 include 238 of the Debtor's former employees from the Facility.

10 Second, common issues will be resolved through class treatment; such as, without
11 limitation, applicability of the WARN Acts and wage claims for wages earned and for the
12 nonpayment of wages within 30 days of the employees' termination.

13 Third, the proposed class representatives' claims are precisely the same as those of the
14 class; they were terminated without advance WARN notice and without payment of pre-petition
15 wages and paid time off, which amount remains unpaid.

16 Fourth, no conflicts, disabling or otherwise, exist between the representatives and
17 Settlement Classes' members because the representatives have allegedly been damaged by the
18 same alleged conduct and have the incentive to fairly represent all Class Members' claims to
19 achieve the maximum possible recovery.

20 Moreover, the adequacy requirement is met for purposes of settlement. Class Counsel are
21 experienced class action attorneys, have been appointed as lead counsel in numerous class
22 actions, and have a successful track record in litigating class actions.

23 Also relevant to the Court's certification decision is whether a class action is the superior
24 method of adjudication. Here, each Settlement Class Member's claim would be impractical to
25 bring as individual claims.

26 Accordingly, the Settlement Classes meet all criteria for certification and should be
27 certified for purposes of effectuating the Settlement Stipulation. *See Amchen Products, Inc. v.*
28 *Windsor*, 521 U.S. 591, 620 (1997) (finding that because the Court was certifying the action for

1 settlement purposes only, it did not need to determine whether the class would be manageable for
2 litigation purposes).

3 **D. The Proposed Notices Are Adequate**

4 The proposed Class Notices are accurate, informative, and readable by the average person.
5 They are written in simple, plain language, and provide key information about the Settlement
6 Stipulation as well as an individualized statement of expected recovery for each Class Member,
7 before and after deduction of one third attorneys' fees, plus costs, so that each Class Member can
8 choose what to do, as well as the date, time, and place of the final hearing to consider approval of
9 the Settlement Stipulation. The Class Notices also inform Class Members that they will be bound
10 by the judgment and that they have the right to object to, or be excluded from, the Settlement
11 Stipulation. The Class Notices further provide the deadline for submitting objections to the
12 Settlement Stipulation and the process by which a party may appear or opt-out of the Settlement
13 Classes. Further, as required, the Class Notices are neutral as to the merits of the proposed
14 Settlement Stipulation. In short, the Class Notices are "adequate to 'fairly apprise the prospective
15 members of the class of the terms of the proposed settlement and of the options that are open to
16 them in connection with [the] proceedings.'" *7-Eleven Owners for Fair Franchising v. Southland*
17 *Corp.*, 85 Cal.App.4th 1135, 1164 (2000) (citation omitted).

18 The proposed method of notice is also quite adequate. Since the Class Notices will be
19 mailed to the Settlement Class members' home addresses as reflected in the Debtor's books and
20 records, and Class Counsel will follow up on any undeliverable mailings, this method will
21 provide Settlement Class Members with the greatest opportunity to receive notice.

22 **VII.**

23 **THE SETTLEMENT SHOULD BE FINALLY APPROVED AS TO THE SETTLEMENT**
24 **CLASSES AT THE FAIRNESS HEARING**

25 Rule 23(e)(1)(C) of the Federal Rules provides that

26 [t]he court may approve a settlement, voluntary dismissal, or compromise
27 that would bind class members only after a hearing and on finding that the
28 settlement, voluntary dismissal, or compromise is fair, reasonable, and
adequate.

1 Fed. R. Civ. P. 23(e)(1)(C).

2 The Ninth Circuit favors class settlements: “When reviewing class action settlements, we
3 have a ‘strong judicial policy that favors settlements’.” *In re Pacific Enterprises Litigation*, 47 F.
4 3d 373, 378 (9th Cir. 1995) (citation omitted).

5 In *Torrise v. Tucson Elec. Power Co.*, 8 F.3d 1370, 1375 (9th Cir. 1993), the Ninth Circuit
6 reaffirmed the settled rule that a class “settlement should be approved if it is fundamentally fair,
7 adequate and reasonable’.” (citation omitted). In *Officers for Justice v. Civil Serv. Comm. of San*
8 *Francisco*, 688 F. 2d 615, 625 (9th Cir. 1982), *cert. denied*, 459 U.S. 1217 (1983), the court
9 stated that this determination requires

10 a balancing of several factors which may include, among others, some or
11 all of the following: the strength of plaintiffs’ case; the risk, expense,
12 complexity, and likely duration of further litigation; the risk of maintaining
13 class action status throughout the trial; the amount offered in settlement;
14 the extent of discovery completed, and the stage of the proceedings; the
experience and views of counsel; the presence of a governmental
participant; and the reaction of the class members to the proposed
settlement.

15 In *Torrise*, 8 F.3d at 1375, the Ninth Circuit reaffirmed the factors delineated in *Officers*
16 *for Justice* and declared, as did the Court in *Officers for Justice*, that “this list is not exclusive and
17 different factors may predominate in different factual contexts.” *Id.* at 1376.

18 The movants submit that the Settlement should also be approved as fair, reasonable and
19 adequate to the Settlement Classes under the factors enumerated by the Ninth Circuit.

- 20 • As set forth above, litigation of Capizzi I and Capizzi II would have been
21 complicated, protracted and expensive.
- 22 • The Class Representatives support the Settlement and Class Counsel believes that
23 the bulk of the other Class Members will have a favorable reaction to the
24 Settlement and not object to it or opt out of it.
- 25 • The Settlement was reached after the essential facts had been thoroughly
26 investigated by Class Counsel, including informal disclosure from Debtor. Class
27 Counsel believes that the settlement is fair and reasonable and in the best interests
28 of the Settlement Classes.
- As set forth above, the risks of being unable to fully establish liability and
damages on both claims were present because of the numerous defenses which
Debtor and Committee intended to assert.
- The Settlement provides for the Settlement Class members to receive their *pro*

rata share of the WARN Act Common Fund as well as payment on or as soon as reasonably practicable after the Effective Date of the Plan of their Allowed Priority Wage/Benefit Claims and payment, in accordance with the Plan, of their Allowed Unsecured Wage/Benefit Claims.

The Movants submit that the settlement is well within the range of reasonableness given the uncertainty of establishing liability and damages. To sum up, the majority of the relevant factors strongly support approval of the settlement. Accordingly, in addition to approving the Debtor's entry into the compromise, the Court should preliminarily approve the settlement and at a later the fairness hearing the Court should finally approve the settlement as "fair, reasonable and adequate" to the Settlement Classes.

VIII.

PROPOSED SCHEDULE OF EVENTS

The Court's entry of the Order of Preliminary Approval would, among other things, (1) certify the Settlement Classes as class actions for the purposes of the Settlement Stipulation; (2) direct notice of the Settlement Stipulation to all members of the Settlement Classes; and (3) schedule a final hearing to consider whether the Settlement Stipulation should be approved as being fair, reasonable, and adequate (the "Final Fairness Hearing"). As such, the proposed Order of Preliminary Approval sets certain deadlines, as follows:

Deadline for Class Counsel to mail the Class Notices to the Class: 10 business days after the entry of the Order of Preliminary Approval;

Deadline to Opt-Out of the Settlement Classes: 35 days after the mailing of the Class Notices;

Deadline for any Class Member or other party in interest to object to the final approval of the Settlement Stipulation: 35 days after the mailing of the Class Notices; and

Final Fairness Hearing: 45 days after the mailing of the Class Notices, or as otherwise directed by the Court.

This schedule is similar to those used and approved by numerous courts in class action settlements and provides due process to Class Members with respect to their rights concerning the Settlement Stipulation. *See Torrissi.*, 8 F.3d 1370.

IX.

CONCLUSION

For the reasons set forth above, the Movants respectfully request that the Court:

- 1) grant the Motion in its entirety;
- 2) approve the Debtor's entry into the proposed compromise under the terms as set forth in the Settlement Stipulation;
- 3) preliminarily approve of the settlement of this class action as set forth in the Settlement Stipulation, attached hereto as Exhibit A;
- 4) certify, for settlement purposes only, the Settlement Classes;
- 5) preliminarily appoint, for settlement purposes only, Thomas C. Capizzi and Anthony Barcelo as the Class Representatives of the Settlement Classes;
- 6) preliminarily appoint, for settlement purposes only, the law firms of Lankenau & Miller, The Gardner Firm, P.C., Outten & Golden LLP and Reeder Law Corporation as Class Counsel to the Settlement Classes;
- 7) approve the form of the Class Notices attached hereto as Exhibits B and C;
- 8) approve the deadlines and scheduling set forth above in Section VIII;
- 9) upon the Final Fairness Hearing, enter an order finally approving the Settlement Stipulation; and
- 10) accord such further and other relief as is just and proper.

Dated: September 27, 2013

GREENBERG GLUSKER FIELDS CLAMAN
& MACHTINGER LLP

By /s/C. John M. Melissinos

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C. JOHN M. MELISSINOS
COURTNEY E. POZMANTIER

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-and-

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Gary E. Klausner, Esq.

Attorneys for the Attorney for the Official Committee
of Creditors Holding Unsecured Claims

-and-

THE GARDNER FIRM, P.C.
Mary E. Olsen, Esq.

Co-Counsel for Plaintiffs and Settlement Classes

-and-

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Stuart J. Miller, Esq.

Co-Counsel for Plaintiffs and Settlement Classes

-and-

OUTTEN & GOLDEN, LLP
René S. Roupinian, Esq.

Co-counsel for Plaintiffs and Settlement Classes

-and-

REEDER LAW CORPORATION
David M. Reeder, Esq.

Co-counsel for Plaintiffs and Settlement Classes

DECLARATION OF JOHN F. HEDGE

I, John F. Hedge, declare:

1. I am a principal of Scouler & Company (“Scouler” or the “Firm”), and in such capacity am the Chief Restructuring Officer (“CRO”) of AWTR Liquidation, Inc., f/k/a Rhythm and Hues, Inc., the debtor and debtor in possession in the above-captioned bankruptcy case (the “Debtor”). Except for those statements made expressly upon information and belief, the following facts are based upon my personal knowledge and if called to testify, I could and would competently testify to these facts under oath. As to those statements made upon information and belief, I believe them to be true.

2. I submit this declaration in support of the attached *Joint Motion of Debtor, Committee and Proposed Class Representatives, in Accordance With Proposed Stipulation of Class Settlement: (A) to Approve Proposed Compromise of Claims in Adversary Proceedings; and (B) in Accordance With Fed. R. Bankr. P. 7023, to (I) Preliminarily Approve Settlement Between Debtor and Certain Former Employees, (II) Approve Form and Manner of Notice of Settlement, (III) Schedule Fairness Hearing to Consider Final Approval of Settlement, and (IV) Subsequent to Fairness Hearing, Finally Approve Settlement; Memorandum of Points and Authorities* (the “Motion”). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion or the Memorandum of Points and Authorities.

3. On February 13, 2013 (the “Petition Date”), the Debtor commenced its bankruptcy case by filing a voluntary Petition under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the “Bankruptcy Code”). The Debtor continues to manage its affairs as a debtor in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No request for a trustee or examiner has been made. An Official Committee of Unsecured Creditors (the “Committee”) has been appointed in this case and has retained counsel.

4. The Debtor was formerly one of the world’s leading producers of visual effects and computer-generated animation for the entertainment industry, and received numerous industry awards and accolades for its work, including three Academy Awards. In an effort to strengthen its financial position, secure debtor-in-possession financing and find buyer for its

1 assets, the Debtor commenced this chapter 11 case. The Debtor's chapter 11 filing preserved the
2 going concern value of the Debtor's business and allowed the Debtor to continue work on its
3 existing projects while it conducted a sale process.

4 5. Also as part of its filing, the Court approved the Debtor's entry into a debtor in
5 possession financing agreement (the "DIP Loan") with Universal City Studios LLC and
6 Twentieth Century Fox, a division of Twentieth Century Fox Film Corporation (together, the
7 "DIP Lenders") in the amount of \$17,086,000. The DIP Loan provided crucial financing to the
8 Debtor and allowed it time to locate a buyer so as to maximize value for creditors herein.

9 6. After a multi-day auction and a hearing, the Court approved the sale of
10 substantially all of the Debtor's assets to 34 x 118 Holdings, LLC ("Holdings" or the "Buyer") in
11 accordance with the Court's *Order: (A) Authorizing the Sale of Substantially all of the Debtor's*
12 *Assets Free and Clear of all Liens, Claims, Encumbrances and Other Interests; (B) Authorizing*
13 *the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases in*
14 *Connection Therewith; and (C) Granting Related Relief dated April 4, 2013* [Docket No. 197]
15 (the "Sale Order"). The sale to the Buyer closed on April 8, 2013. As part of the sale, the Buyer
16 paid the Debtor \$1.2 million in cash, and assumed a number of liabilities, including the
17 outstanding obligations under the DIP Loan, which was fully paid or assumed by Holdings.

18 7. In addition, the Debtor worked to obtain necessary Court orders to ensure the sale
19 of the real property (the "Building" or the "Property") owned by the Debtor's affiliate 2100
20 Grand, LLC ("2100 Grand") in which the Debtor conducted its operations. On May 1, 2013, as a
21 result of the sale of the Building, the Debtor received approximately \$4.2 million in cash on
22 account of 2100 Grand's obligations to the Debtor.

23 8. On June 14, 2013, the Debtor filed amendments to Schedules E and F [Docket No.
24 275] ("Amended Schedules E and F"). Amended Schedules E and F reflected the Debtor's
25 calculation of both unsecured priority claims for unpaid wages and benefits and general
26 unsecured claims for unpaid wages and benefits due to former employees, including (as defined
27 below) the Terminated Employees.

28 ///

1 9. Currently, the Debtor no longer has any employees except for its President, John
2 Hughes, and myself serving as CRO. The estate holds the cash proceeds of the sale to Holdings
3 as well as the cash proceeds of the sale of the Building, in the total amount of approximately
4 \$6 million, all of which is free and clear cash of the estate. On September 24, 2013, the Debtor
5 and the Committee filed their proposed *Joint Chapter 11 Plan of Liquidation Filed by Debtor and*
6 *Official Committee of Unsecured Creditors dated September 24, 2013* [Docket No. 352] (the
7 “Plan”) and accompanying *Disclosure Statement Describing Joint Chapter 11 Plan of*
8 *Liquidation Filed by Debtor and Official Committee of Unsecured Creditors dated September 24,*
9 *2013* [Docket No. 353] (the “Disclosure Statement”).

10 10. On February 10, 2013, the Debtor laid off approximately 236 employees from its
11 Facility. On February 11, 2013, the Debtor laid off approximately 2 additional employees from
12 the Facility (together with the 236 employees laid off on February 10, 2013, the “Terminated
13 Employees”). The Debtor alleges that, on or about February 10, 2013, it issued a written WARN
14 Act notice via email purporting to notify the Terminated Employees of their layoffs.

15 11. Thomas Capizzi and Anthony Barcelo, as Putative Class Plaintiffs(the “Plaintiffs”)
16 in Adversary Proceeding Nos. 2:13-1p-01209-NB (“Capizzi I”) and 2:13-ap-01463-NB (“Capizzi
17 II” and, together with Capizzi I, the “Adversary Proceedings”) commenced Capizzi I, a purported
18 class action adversary proceeding asserting claims under the Federal WARN Act and the CA
19 WARN Act against Debtor and which was last amended on or about May 20, 2013. In Capizzi I,
20 the Plaintiffs allege that they and the Terminated Employees were terminated as part of, or as the
21 result of, a mass layoff implemented by the Debtor. In Capizzi I, Plaintiffs allege that Debtor
22 failed to give the Plaintiffs and the Terminated Employees at least 60 days’ advance written
23 notice of termination, as required by the WARN Act. In Capizzi I, as a consequence of Debtor's
24 alleged failure to give the Plaintiffs and Terminated Employees at least 60 days’ advance written
25 notice of termination, the Plaintiffs seek up to 60 days’ pay and benefits for each Terminated
26 Employee for the Debtor’s alleged WARN Act violation. Capizzi I seeks an allowed first priority
27 administrative expense claim against the Debtor pursuant to 11 U.S.C. § 503(b)(1)(A) for the
28 WARN Act damages, and also seeks, in the alternative, that the first \$11,725 of the WARN Act

1 damages be entitled to priority status, under 11 U.S.C. § 507(a)(4) and (5), with any remainder as
2 a general unsecured claim. Capizzi I also seeks attorneys' fees and reimbursement of court costs
3 and litigation expenses.

4 12. Following the filing of the bankruptcy case, Capizzi also filed Capizzi II which
5 seeks the recovery of earned compensation that the Terminated Employees were owed upon their
6 terminations and wage continuation for each day that the wages remained unpaid (up to thirty
7 additional days) pursuant to California Labor Code §§ 201 and 203 (Labor Code §§ 201 and 203)
8 and which was last amended on or about May 20, 2013. Capizzi II alleges that Labor Code § 201
9 required Debtor to pay Plaintiff and the Terminated Employees their earned, but unpaid
10 compensation immediately upon discharge. Capizzi II also alleges that, since Debtor did not pay
11 Plaintiff and the Terminated Employees their earned, but unpaid compensation immediately upon
12 discharge, or within thirty days thereof, Labor Code § 203 required Debtor to also pay the
13 Terminated Employees' wages for 30 additional days beyond their terminations. Capizzi II
14 claims that the first \$11,725 of the amounts due the Terminated Employees pursuant to Labor
15 Code § 201 (plus interest in accord with Labor Code § 218.6) are entitled to priority status, under
16 11 U.S.C. § 507(a)(4) and (5), with the remaining balance as a general unsecured claim. Capizzi
17 II claims that wage continuation prepetition amounts due the Terminated Employees under Labor
18 Code § 203 (plus interest in accord with Labor Code § 218.6) are entitled to priority status, under
19 11 U.S.C. § 507(a)(4) up to a maximum of \$11,725, with any remainder as a general unsecured
20 claim. Capizzi II claims post-petition wage continuation amounts due the Terminated Employees
21 under Labor Code § 203 (plus interest in accord with Labor Code § 218.6) are entitled to
22 administrative priority claim status under 11 U.S.C. § 503. Capizzi II also seeks attorneys' fees,
23 reimbursement of court costs and litigation expenses.

24 13. On May 20, 2013, Plaintiffs filed a *Motion for (A) Class Certification,*
25 *(B) Appointment of Class Representatives, (C) Appointment of Class Counsel, (D) Approval of*
26 *the Form and Manner of Class Notice, and (E) Such Other and Further Relief as This Court May*
27 *Deem Appropriate* in Capizzi I, and Capizzi filed a *Motion for (A) Class Certification,*
28 *(B) Appointment of Class Representative, (C) Appointment of Class Counsel, (D) Approval of the*

1 *Form and Manner of Class Notice, and (E) Such Other and Further Relief as This Court May*
2 *Deem Appropriate in Capizzi II.* These motions are both pending, but were taken off calendar
3 pursuant to stipulations among the Parties.

4 14. In or about May 2013, Plaintiffs, the Debtor and the Committee (herein, the
5 “Parties” or “Movants”) began engaging in informal efforts to resolve both Capizzi I and Capizzi
6 II. On or about June 4, 2013, Plaintiffs sent the Debtor informal information requests.
7 Subsequent to June 4, 2013, and subject to an appropriate confidentiality agreement, the Debtor
8 provided certain information in response to Plaintiffs’ informal information requests, including
9 the names, payroll information, hire dates, termination dates and job titles of the Terminated
10 Employees. The Plaintiffs and Debtor exchanged confidential settlement position statements on
11 July 26, 2013 and attempted to informally resolve Capizzi I and Capizzi II during a telephone
12 conference on July 29, 2013, but those efforts were unsuccessful. The Parties then agreed to
13 mediate Capizzi I and Capizzi II on August 27, 2013 before the Honorable Mitchell Goldberg,
14 United States Bankruptcy Judge, retired, and submitted confidential mediation briefs prior to the
15 mediation. The Parties attended the mediation on August 27, 2013 and agreed, subject to
16 approval of this Court, to resolve the Capizzi I and Capizzi II matters in accordance with the
17 Settlement Stipulation.

18 15. Attached as Exhibit A hereto and incorporated herein by this reference is a true
19 and correct copy of the concurrently filed *Stipulation of Class Settlement* [Docket No. 358] (the
20 “Settlement Stipulation”).

21 16. The Adversary Proceedings seek the payment of, at least potentially, millions of
22 dollars on an administrative priority basis. The Debtor and the Committee believe that under the
23 circumstances, they have meritorious defenses to the assertion of claims under the WARN Acts,
24 including the so-called “faltering company” exception. However, the Debtor's circumstances are
25 somewhat unique, and therefore the ability to maintain the defenses is unknown. In the final
26 analysis, it seems likely that should the matter be litigated, there is a very real chance of a trier of
27 fact finding that liability exists under the WARN Acts.

28 ///

1 17. More significant, however, is whether or not any resulting liability would be
2 accorded priority or administrative status under the Bankruptcy Code. Plaintiffs are insistent that
3 administrative claims would be the result of the Adversary Proceedings. For their part, the
4 Debtor and the Committee vigorously dispute that administrative claims exist in any way with
5 respect to the claims in the Adversary Proceedings.

6 18. It is true that colorable arguments can be made by Plaintiffs with respect to the
7 entitlement to administrative priority claims based on, among other things, the revisions to section
8 503(b) of the Bankruptcy Code which were made in 2005. To date, the published decisions with
9 respect to this issue have found that no administrative priority exists. However, no controlling
10 Ninth Circuit authority exists on the point. Therefore, at a minimum, and again although the
11 Debtor and the Committee are confident in their position, the result of litigation on this issue is
12 uncertain and subject to what might be a lengthy appellate review.

13 19. There are three aspects to the complexity of litigation on the Adversary
14 Proceedings, and the presence of each strongly militates in favor of an early settlement. First,
15 Plaintiffs seek class certification in each of the Adversary Proceedings, which the Debtor contests
16 for various reasons, including that certification under Rule 23 of the Federal Rules is improper
17 with respect to potential administrative claims. Thus, without the settlement, motion practice
18 would ensue on various fronts.

19 20. Secondly, the Debtor's defenses to the claims under the WARN Acts are fact
20 intensive, and would require discovery regarding, potentially, of each of the members of the class,
21 or a minimum of 238 former employees. Discovery regarding the Debtor's financial affairs over
22 a period of at least a year would be required, and doubtless the complicated pre-bankruptcy
23 negotiations with the studios which eventually provided a DIP Loan to the Debtor would also be
24 in issue. This discovery would be fact intensive and lengthy, significantly reducing the funds
25 ultimately available for creditors.

26 21. Any ruling on whether or not any resulting damages under the WARN Acts would
27 be entitled to administrative priority would be subject to highly contested litigation. Moreover,
28 the result of such litigation would doubtless be appealed, potentially delaying Plan proceedings –

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1 or at least the effectiveness of any confirmed Plan – for a year or more. Such delay likely would
2 not benefit the Debtor’s former employees and the members of the Settlement Classes which
3 retain claims for unpaid wages and benefits and who will receive payments relatively soon under
4 the proposed settlement.

5 22. The cooperation of the Parties, and the early mediation of the Adversary
6 Proceedings, has now yielded the settlement embodied in the Settlement Stipulation.
7 Undoubtedly, the proposed compromise is beneficial to creditors, and especially all the former
8 employees – not just the members of the Settlement Classes – because it clears the way for
9 solicitation and, it is hoped, confirmation of the Plan. The effectiveness of the Plan will allow not
10 only for payment of the WARN Act Common Fund, but also the Allowed Priority Wage/Benefit
11 Claims of the former employees. On the other hand, without a settlement, and because of the
12 large administrative claims which are asserted in the Adversary Proceedings, Plan proceedings
13 might be delayed for a considerable length of time. The Debtor believes that all constituencies
14 took this reality into account in reaching the proposed settlement.

15 23. All in all, I believe that the proposed compromise is reasonable and adequate
16 under the circumstances and should be approved. Moreover, I believe that the Debtor is well
17 within its business judgment in seeking to resolve the Adversary Proceedings by means of the
18 settlement.

19 24. Attached respectively as Exhibit B and Exhibit C hereto and incorporated herein
20 by this reference are true and correct copies of the form of proposed notices to the members of the
21 Settlement Classes in Capizzi I and Capizzi II, advising them of the proposed settlement.

22 I declare under penalty of perjury under the laws of the United States that the foregoing is
23 true and correct.

24 Executed at Atlanta, Georgia on this 26 day of September, 2013.

25
26 
27 JOHN F. HEDGE
28

EXHIBIT “A”

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Nos. 2:13-1p-01209-NB and 2:13-ap-01463-NB*

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**UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
LOS ANGELES DIVISION**

In re:
AWTR Liquidation, Inc.,
f/k/a Rhythm And Hues, Inc.,
Debtor and Debtor in
Possession.

Thomas C. Capizzi,
Plaintiff,

v.
AWTR Liquidation, Inc.,
f/k/a Rhythm And Hues, Inc.,
Defendant.

Thomas C. Capizzi and Anthony Barcelo,
Plaintiff,

v.
AWTR Liquidation, Inc.,
f/k/a Rhythm And Hues, Inc.,
Defendant.

Chapter 11
Case No. 2:13-bk-13775-NB

Adv. No.: 2:13-ap-01463-NB

Adv. No.: 2:13-ap-01209-NB

**STIPULATION OF CLASS
SETTLEMENT**

Hearing on Motion to Approve
Compromise

Date: [TO BE SET]

Time: [TO BE SET]

Place: Courtroom 1545
255 E. Temple Street,
Los Angeles CA 90012

1 **THIS STIPULATION OF CLASS SETTLEMENT** (the “Settlement Stipulation”)
2 is entered into by and among Debtor and Debtor in Possession AWTR Liquidation, Inc., f/k/a
3 Rhythm And Hues, Inc. (the “Debtor”), the Official Committee of Unsecured Creditors (the
4 “Committee”), and Plaintiffs Thomas C. Capizzi (“Capizzi”) and Anthony Barcelo
5 (“Barcelo”) (as further defined below, collectively “Plaintiffs” and, together with the Debtor
6 and Committee, the “Parties”), with respect to the following:

7 **A. WHEREAS**, on February 10, 2013, the Debtor laid off approximately 236
8 employees from its facility located at 2100 East Grand Avenue, El Segundo, CA 90245 (the
9 “Facility”);

10 **B. WHEREAS**, on February 11, 2013, the Debtor laid off approximately 2
11 additional employees from the Facility (together with the 236 employees laid off on February
12 10, 2013, the “Terminated Employees”);

13 **C. WHEREAS**, on or about February 11, 2013, the Debtor issued a written
14 WARN Act notice via email purporting to notify the Terminated Employees of their layoffs;

15 **D. WHEREAS**, on February 13, 2013 (the “Petition Date”), the Debtor filed a
16 voluntary petition under chapter 11 of the U.S. Bankruptcy Code (the “Bankruptcy Code”) in
17 the United States Bankruptcy Court for the Central District of California, Los Angeles
18 Division (the “Bankruptcy Court” or the “Court”), assigned Case No.: 2:13-bk-13775-NB (the
19 “Bankruptcy Case”);

20 **E. WHEREAS**, following the filing of the Bankruptcy case, Plaintiffs
21 commenced a purported class action adversary proceeding under the federal Worker
22 Adjustment and Retraining Notification Act of 1988, 29 U.S.C. §§ 2101 – 2109 (“Federal
23 WARN Act”) and its California counterpart, California Labor Code §§ 1400 – 1408 (“CA
24 WARN Act”) (collectively referred to as “WARN Acts”) entitled *Thomas C. Capizzi and*
25 *Anthony Barcelo, on behalf of themselves and all persons similarly situated v. AWTR*
26 *Liquidation, Inc.*; Adv. No. 2:13-ap-01209-NB (referred to herein as “Capizzi I” or the
27 “WARN Action”) against Debtor and which was last amended on or about May 20, 2013;

1 **F. WHEREAS**, in Capizzi I, the Plaintiffs allege that they and the Terminated
2 Employees were terminated as part of, or as the result of, a mass layoff ordered by the Debtor;

3 **G. WHEREAS**, in Capizzi I, Plaintiffs allege that Debtor failed to give the
4 Plaintiffs and the Terminated Employees at least 60 days' advance written notice of
5 termination, as required by the WARN Acts;

6 **H. WHEREAS**, in Capizzi I, as a consequence of Debtor's alleged failure to give
7 the Plaintiffs and Terminated Employees at least 60 days' advance written notice of
8 termination, the Plaintiffs seek up to 60 days' pay and benefits for each Terminated Employee
9 for the Debtor's alleged violation of the WARN Acts;

10 **I. WHEREAS**, Capizzi I seeks an allowed first priority administrative expense
11 claim against the Debtor pursuant to 11 U.S.C. § 503(b)(1)(A) for the WARN Acts' damages,
12 and also seeks, in the alternative, that the first \$11,725 of the WARN Acts' damages be
13 entitled to priority status, under 11 U.S.C. § 507(a)(4) and (5), with any remainder as a
14 general unsecured claim;

15 **J. WHEREAS**, Capizzi I also seeks attorneys' fees and reimbursement of court
16 costs and litigation expenses;

17 **K. WHEREAS**, following the filing of the Bankruptcy Case, Capizzi also filed a
18 purported class action adversary proceeding entitled *Thomas C. Capizzi on behalf of himself*
19 *and all persons similarly situated v. AWTR Liquidation, Inc*; Adv. No. 2:13-ap-01463-NB
20 (referred to herein as "Capizzi II" or the "Wage Action") which seeks the recovery of earned
21 compensation that the Terminated Employees were owed upon their terminations and wage
22 continuation for each day that the wages remained unpaid (up to thirty additional days)
23 pursuant to California Labor Code §§ 201 and 203 (Labor Code §§ 201 and 203) and which
24 was last amended on or about May 20, 2013;

25 **L. WHEREAS**, Capizzi II alleges that Labor Code § 201 required Debtor to pay
26 Plaintiff and the Terminated Employees their earned, but unpaid compensation immediately
27 upon discharge;

1 **M. WHEREAS**, Capizzi II alleges that, since Debtor did not pay Plaintiff and the
2 Terminated Employees their earned, but unpaid compensation immediately upon discharge, or
3 within thirty days thereof, Labor Code § 203 required Debtor to also pay the Terminated
4 Employees' wages for 30 additional days beyond their terminations;

5 **N. WHEREAS**, Capizzi II claims that the first \$11,725 of the amounts due the
6 Terminated Employees pursuant to Labor Code § 201 (plus interest in accord with Labor
7 Code § 218.6) are entitled to priority status, under 11 U.S.C. § 507(a)(4) and (5), with the
8 remaining balance as a general unsecured claim;

9 **O. WHEREAS**, Capizzi II claims that wage continuation prepetition amounts due
10 the Terminated Employees under Labor Code § 203 (plus interest in accord with Labor Code
11 § 218.6) are entitled to priority status, under 11 U.S.C. § 507(a)(4) up to a maximum of
12 \$11,725, with any remainder as a general unsecured claim;

13 **P. WHEREAS**, Capizzi II claims post-petition wage continuation amounts due
14 the Terminated Employees under Labor Code § 203 (plus interest in accord with Labor Code
15 § 218.6) are entitled to administrative priority claim status under 11 U.S.C. § 503;

16 **Q. WHEREAS**, Capizzi II also seeks attorneys' fees, reimbursement of court
17 costs and litigation expenses;

18 **R. WHEREAS**, the Debtor and Committee have asserted various defenses to the
19 purported claims asserted in the WARN Action and Wage Action and, while having filed no
20 response to either, have notified Plaintiffs that the Debtor and the Committee dispute that such
21 actions should be certified as class actions;

22 **S. WHEREAS**, the Debtor filed schedules in the Bankruptcy Case reflecting the
23 Debtor's calculation of both unsecured priority claims for unpaid wages and benefits and
24 general unsecured claims for unpaid wages and benefits due to former employees, including
25 the Terminated Employees (collectively, "Former Employees");

26 **T. WHEREAS**, on May 20, 2013, Plaintiffs filed a *Motion for (A) Class*
27 *Certification, (B) Appointment of Class Representatives, (C) Appointment of Class Counsel,*

1 *(D) Approval of the Form and Manner of Class Notice, and (E) Such Other and Further*
2 *Relief as This Court May Deem Appropriate* in Capizzi I, and Capizzi filed a *Motion for*
3 *(A) Class Certification, (B) Appointment of Class Representative, (C) Appointment of Class*
4 *Counsel, (D) Approval of the Form and Manner of Class Notice, and (E) Such Other and*
5 *Further Relief as This Court May Deem Appropriate* in Capizzi II;

6 **U. WHEREAS**, in or about May 2013, the Parties began engaging in informal
7 efforts to resolve both Capizzi I and Capizzi II;

8 **V. WHEREAS**, on or about June 4, 2013, Plaintiffs served Debtor with informal
9 information requests,

10 **W. WHEREAS**, subsequent to June 4, 2013, Debtor provided certain information
11 in response to Plaintiffs' informal information requests, including the names, payroll
12 information, hire dates, termination dates and job titles of the Terminated Employees;

13 **X. WHEREAS**, the Plaintiffs and Debtor exchanged confidential settlement
14 position statements on July 26, 2013 and attempted to informally resolve Capizzi I and
15 Capizzi II on July 29, 2013, but those efforts were unsuccessful;

16 **Y. WHEREAS**, the Parties agreed to mediate Capizzi I and Capizzi II on August
17 27, 2013 and submitted confidential mediation briefs prior to the mediation; and

18 **Z. WHEREAS**, the Parties attended the mediation on August 27, 2013 and
19 agreed, subject to approval of this Court, to resolve the Capizzi I and Capizzi II matters.

20 **NOW, THEREFORE**, in consideration of the mutual promises and agreements set
21 forth herein and as inducements therefor, and subject to the approval of the Bankruptcy Court
22 after appropriate notice has been given, the Parties through their undersigned counsel hereby
23 agree as follows:

24 1. Based on the information available, the Debtor hereby represents and warrants
25 that, following a careful investigation, Exhibit 1 hereto is a complete list of all Terminated
26 Employees, *i.e.*, all of those employees laid off on February 10, 2013 and February 11, 2013
27 from the Facility, and is also a complete list of Debtor's former employees who fall within the

1 proposed class definitions in Capizzi I and Capizzi II Further, Debtor hereby represents and
2 warrants that, following a careful investigation, Exhibit 1 represents an accurate accounting of
3 the allowed wages and/or benefits earned, but outstanding, to the Terminated Employees
4 (“Allowed Priority Wage/Benefit Claims” and the “Allowed Unsecured Wage/Benefit
5 Claims”). The Allowed Priority Wage/Benefit Claims will be paid in full on, or as soon as
6 reasonably practicable after, the Effective Date, in accordance with the Joint Chapter 11 Plan
7 of Liquidation (“Plan”) to be filed in this bankruptcy case by the Debtor and the Committee.
8 Further, the Allowed Unsecured Wage/Benefit Claims shall be paid in accordance with the
9 Plan. For avoidance of doubt, no attorney’s fees will be deducted from the payments to be
10 made on account of the Allowed Priority Wage/Benefit Claims and the Allowed Unsecured
11 Wage/Benefit Claims which are paid to the Capizzi II Class members. All payments on
12 account of the Allowed Priority/Wage Benefit Claims and the Allowed Unsecured
13 Wage/Benefit Claims will be paid through the liquidation trust to be established under the
14 Plan.

15 2. The Debtor represents and warrants that, following a careful investigation,
16 Exhibit 1 is a complete list of all 238 potential class members in the Capizzi I and Capizzi II,
17 with each class to be defined as follows: (a) “Capizzi I Class”: all former employees of
18 Debtor who worked at or reported to the Facility and were terminated allegedly without cause
19 on or about February 10, 2013 and February 11, 2013, and who are affected employees,
20 within the meaning of the WARN Acts, *i.e.*, the Terminated Employees, and who do not file a
21 timely request to opt-out of the class and (b) “Capizzi II Class”: all former employees of
22 Debtor who worked at or reported to the Facility and were terminated on or about February
23 10, 2013, who were not paid their earned compensation upon discharge and whose earned
24 compensation remained unpaid after they were terminated for one or more days, and who do
25 not file a timely request to opt-out of the class (the Capizzi I Class and the Capizzi II Class,
26 collectively, the “Settlement Classes”).

1 3. Subject to approval of the Bankruptcy Court under Rule 23 of the Federal
2 Rules of Civil Procedures (“Federal Rules”) as incorporated herein by Rule 7023 of the
3 Federal Rules of Bankruptcy Procedure (“Bankruptcy Rules”), the Parties agree that: (a) the
4 Capizzi I Class and the Capizzi II Class shall be certified with respect to Capizzi I and Capizzi
5 II; (b) Capizzi and Barcelo shall serve as the Class Representatives (the “Class
6 Representatives”) for the Settlement Classes; and (c) Lankenau & Miller, The Gardner Firm,
7 P.C., Outten & Golden LLP and Reeder Law Corporation shall serve as class counsel
8 (“collectively, “Class Counsel”) to the Settlement Classes.

9 4. Subject to approval of the Bankruptcy Court, in full settlement of the claims of
10 the Capizzi I Class for alleged violations of the WARN Acts, the Debtor shall, upon the
11 effective date of the Plan, transmit One Million (\$1,000,000.00) Dollars (the “the WARN Act
12 Common Fund”) to Class Counsel via wire transfer, according to instructions to be supplied
13 by Class Counsel. The WARN Act Common Fund shall then be distributed by Class Counsel
14 as follows: (i) the sum of \$10,000 to each of the two Class Representatives for their Service
15 Fees, and (ii) the balance of \$980,000, minus one-third attorney fees, plus reimbursement of
16 court costs and litigation expenses, or as shall be further approved by the Court after notice
17 provided to the Capizzi I Class, shall be divided among the Capizzi I Class members who do
18 not opt-out of this settlement on a *pro rata* basis according to the gross settlement claim
19 amounts for the Capizzi I Class members set forth on Exhibit 1 hereto. The distributions
20 contemplated herein shall be mailed by Class Counsel to the Class Representatives and the
21 Capizzi I Class members at their last known address indicated on Exhibit 1 (or to such other
22 address as the members of the Capizzi I Class may indicate to Class Counsel or which Class
23 Counsel may locate), along with an IRS Form 1099. Neither the Debtor nor the Committee,
24 nor any successor thereto as may be designated under the Plan, shall have any obligation to
25 make distributions to the individual members of the Capizzi I Class members on account of
26 the WARN Act Common Fund.

6. The entitlement of the Class Representatives to receive the amount of the WARN Act Common Fund shall be reflected in the Plan as a separate class, which shall be treated in accordance with the terms of this Settlement Stipulation and shall be deemed to be unimpaired for Plan confirmation purposes, and the Class Representatives shall be deemed to accept the Plan.

7. Amounts paid to members of the Settlement Classes from the WARN Act Common Fund shall have no effect on the Allowed Priority Wage/Benefit Claims or Allowed Unsecured Wage/Benefit Claims due members of the Settlement Classes, which amounts shall be paid in accordance with the Plan. Any claims filed by any of the Settlement Classes on account of a released claim as set forth in Paragraph 10 herein shall be deemed withdrawn and released, and may be objected to by Debtor, any successor to the Debtor or agent appointed under the Plan, or the Committee.

8. Subject to approval of the Bankruptcy Court, the Parties agree that the Class Representatives shall each receive the sum of \$10,000.00 (the “Service Fees”)¹ from the WARN Act Common Fund in consideration of their services as the Class Representatives, and no attorney fees will be deducted from these Service Fees. For avoidance of doubt, each member of the Capizzi I Class shall receive his or her *pro rata* share of the WARN Act Common Fund after deductions for the \$20,000 Service Fees (in total) to be paid to the Class Representatives and Class Counsel fees of one third of the remaining \$980,000, plus reimbursement of court costs and litigation expenses.

9. Subsequent to the payment of the WARN Act Common Fund to the Class Representatives and assuming insufficient Residual Funds (defined below in Paragraph 17) exist to satisfy a *pro rata* distribution to any Additional Settlement Class Member (defined below), the Parties agree that the sole remedy for the breach of the Debtor's representation and warranty regarding the individuals and claim amounts listed on Exhibit 1 shall be, with

¹ The Service Fee is in addition to each Class Representative's *pro-rata* allowed claim from the WARN Act Common Fund.

1 respect to the WARN Act Common Fund, the payment by the estate to Class Counsel of such
2 additional amount as may be required to make a *pro rata* distribution to any individual who is
3 subsequently determined to have been terminated on the same dates as the Terminated
4 Employees, but who is not currently listed on Exhibit 1 (“Additional Settlement Class
5 Members”).

6 10. Upon the effective date of the Plan and the distribution of the WARN Act
7 Common Fund to Class Counsel (the “Conditions”), for good and valuable consideration, the
8 receipt and sufficiency of which is hereby acknowledged, except for the rights arising out of,
9 provided for, or reserved in this Settlement Stipulation, the Class Representatives on behalf of
10 themselves and the Settlement Classes, and each of the members of the Capizzi I Class and
11 the Capizzi II Class who do not opt out of those classes, for and on behalf of themselves and
12 their respective predecessors, successors and assigns (collectively, the “Releasing Parties”),
13 do hereby fully and forever release and discharge the Debtor, its estate, and its current and
14 former officers and directors, parents, subsidiaries and otherwise affiliated entities, and their
15 respective current, former and interim officers, directors, shareholders, agents, employees,
16 partners, members, accountants, attorneys, representatives and other agents, and all of their
17 respective predecessors, successors and assigns, and the Committee, each of its members, and
18 each of their respective current and former officers and directors, parents, subsidiaries and
19 otherwise affiliated entities, and their respective current, former and interim officers,
20 directors, shareholders, agents, employees, partners, members, accountants, attorneys,
21 representatives and other agents, and all of their respective predecessors, successors and
22 assigns (collectively, the “Released Parties”), of and from any and all claims arising from or
23 related to those claims asserted in Capizzi I and Capizzi II by the Class Representatives on
24 behalf of the Releasing Parties, including the claims under the WARN Acts and claims for
25 violations of Sections 201 and 203 of the California Labor Code, including claims for
26 expenses, interest and attorney’s fees and costs against any of the Released Parties.

1 11. Within ten (10) days after the payment of the WARN Act Common Fund to
2 Class Counsel, the Parties shall file stipulations for dismissal, with prejudice, of Capizzi I and
3 Capizzi II, substantially in the form attached hereto as Exhibits 2 and 3, respectively.

4 12. The Parties shall cooperate to file a joint motion with the Bankruptcy Court on
5 or about September 24, 2013, in both the Bankruptcy Case and in the Adversary Proceedings,
6 seeking an order approving this Settlement Stipulation.

7 13. Class Counsel shall be responsible for mailing the Bankruptcy Court
8 approved class notices to the members of the Settlement Classes, as well as any distributions
9 from the WARN Act Common Fund, and shall be reimbursed for the costs of such mailings
10 from the WARN Act Common Fund.

11 14. Upon the execution of this Settlement Stipulation by the Parties, and entry of a
12 final order approving the Settlement Stipulation pursuant to Rule 23 of the Federal Rules and
13 Rules 7023 and 9019 of the Bankruptcy Rules, this Settlement Stipulation shall become final
14 and binding. In the event such orders are not entered on or before December 31, 2013, Class
15 Counsel, in its sole discretion, may elect to terminate this Settlement Stipulation. If such
16 election is made, the Settlement Stipulation shall be without force and effect, and it and the
17 statements contained herein shall not be admissible in any proceeding between or among the
18 Parties or any members of the Settlement Classes.

19 15. If any member of the proposed Settlement Classes timely and properly elects
20 to opt out of the proposed class, that claimant's rights and obligations will be unaffected by
21 this Settlement Stipulation and that claimant will have the same rights and obligations as he or
22 she would have had if Capizzi I and Capizzi II had never been filed and this Settlement
23 Stipulation had never been executed. Any of the members of the Settlement Classes who
24 elect to opt out shall not have an allowed claim against the Debtor by reason of this
25 Settlement Stipulation. The rights of any such individual electing to opt out of the proposed
26 Settlement Classes, whether by reason of any individual proof of claim such party may have
27

1 filed or otherwise, shall be unaffected by this Settlement Stipulation. The Debtor will retain
2 all rights against any opt out party.

3 16. In the event the aggregate number of members of either of the Settlement
4 Classes who elect to opt out is in excess of five percent (5%) of the total number of claimants
5 in either of the Settlement Classes, then the Debtor and the Committee may elect, at their sole
6 discretion, to terminate this Settlement Stipulation. Members of the Settlement Classes
7 desiring to opt-out of either Settlement Class must serve such opt-out notice as instructed in
8 the Court approved class notices on the Debtor's and the Committee's counsel, in addition to
9 Class Counsel. The termination of this Settlement Stipulation by the Debtor and the
10 Committee shall be made by written notice to Class Counsel within ten (10) days of the final
11 date established by the Bankruptcy Court for the members of the Settlement Classes to opt
12 out. In the event the Settlement Stipulation is terminated on this basis, then the Settlement
13 Stipulation shall be voided and of no force or effect and each of the Parties shall have the
14 rights and be subject to the obligations they had prior to the execution of this Settlement
15 Stipulation as though this Settlement Stipulation had never been executed.

16 17. All notices to the members of the Settlement Classes and disbursements to the
17 members of the Capizzi I Class to be made by Class Counsel pursuant to the terms of this
18 Settlement Stipulation shall be made to the last address known to the Debtor of each such
19 individual and which are set forth on Exhibit 1 hereto. Subject to the existing Confidentiality
20 Agreement between the Parties, the Debtor shall promptly provide to Class Counsel as
21 "attorneys eyes only" the social security numbers of each member of the Settlement Classes
22 to be used for the purposes of locating Settlement Class Members with stale addresses on
23 Exhibit 1 and issuing an IRS Form 1099 to each Capizzi I Class member for their respective
24 distribution from the WARN Act Common Fund. Because certain members of the Capizzi I
25 Class may have moved and may not be located, or may fail to cash payment checks sent to
26 them, the funds represented by any disbursement check that remains uncashed by a Capizzi I
27 Class member for a period of two hundred ten (210) days following the date upon which such

1 disbursement check was mailed (the "Residual Funds") shall be: (i) first, used to make *pro*
2 *rata* distributions to Additional Settlement Class Members, if any, that may be identified as
3 contemplated by Paragraph 9, above; and (ii) if any Residual Funds remain after any such *pro*
4 *rata* payments to Additional Settlement Class Members, then such funds shall be paid by
5 Class Counsel to the bankruptcy estate for distribution under the Plan. Subject to the
6 agreement of the Class Representatives, the Debtor and the Committee, or any successor
7 thereto appointed under the Plan, shall determine the amount of the pro rata distribution to be
8 made to Additional Settlement Class Members.

9 18. The Parties agree that they are compromising and settling disputed claims.
10 Each of the Parties shall bear their own attorney's fees, expenses, and court costs except as
11 otherwise provided herein. The Debtor, the Committee, and the Class Representatives on
12 behalf of themselves and the Settlement Classes, and each of the members of the Capizzi I
13 Class and the Capizzi II Class who do not opt out of those classes, agree not to commence or
14 continue any contested matter, adversary proceeding, lawsuit, or arbitration that contests,
15 disputes, or is inconsistent with any provision of this Settlement Stipulation.

16 19. This Settlement Stipulation shall be binding upon and shall inure to the benefit
17 of the predecessors, successors and assigns of the Debtor, the Committee and each member of
18 the Settlement Classes to the fullest extent under the law.

19 20. The Bankruptcy Court shall have exclusive jurisdiction to determine any
20 dispute or controversy with respect to the interpretation or enforcement of this Settlement
21 Stipulation, and the Parties, including the Class Representatives on behalf of the Settlement
22 Class, expressly consent to the jurisdiction of the Bankruptcy Court.

23 21. This Settlement Stipulation shall be construed pursuant to the laws of the State
24 of California and the United States Bankruptcy Code and decisions thereunder.

25 22. This Settlement Stipulation sets forth the entire agreement and understanding
26 between and among the Parties, the Debtor, the Committee, and the Class Representatives on
27 behalf of themselves and the Settlement Classes, and each of the members of the Capizzi I

1 Class and the Capizzi II Class who do not opt out of those classes, as to the subject matter
2 hereof and supersedes all previous agreements and discussions between or among the Parties
3 as to the matters herein addressed.

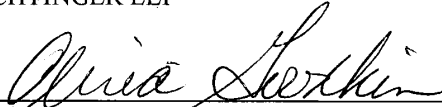
4 23. This Settlement Stipulation may be executed in two (2) or more counterparts,
5 each of which shall be deemed an original but all of which together shall constitute but one
6 agreement. Executed signature pages of this Settlement Stipulation may be transmitted to
7 other Parties by facsimile or e-mail in pdf format, and such facsimile or pdf signature shall be
8 treated as an original signature hereunder.

9 24. This Settlement Stipulation has been prepared by the joint efforts of the
10 respective attorneys for each of the Parties. Each and every provision of this Settlement
11 Stipulation shall be construed as though each and every party hereto participated equally in
12 the drafting hereof. As a result of the foregoing, any rule that the document is to be construed
13 against the drafting party shall not be applicable.

14 25. The Parties may not waive any provision of this Settlement Stipulation except
15 by a written agreement that all of the Parties have signed. A waiver of any provision of this
16 Settlement Stipulation will not constitute a waiver of any other provision. The Parties may
17 modify or amend this Settlement Stipulation only by a written agreement that all of the Parties
18 have signed, and subject to any necessary Bankruptcy Court or other approval.

19 22. This Settlement Stipulation is intended to settle and dispose of contested
20 claims. Nothing herein shall be construed as an admission by any Party of any liability of any
21 kind to any other Party.


22 [THE REMAINDER OF THIS PAGE WAS LEFT BLANK INTENTIONALLY]
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| | | |
|----|-----------------------------------|--|
| 1 | Dated: September <u>24</u> , 2013 | GREENBERG GLUSKER FIELDS CLAMAN & MACHTINGER LLP |
| 2 | | |
| 3 | | By <u></u> |
| 4 | | Olivia Goodkin Counsel for the Debtor |
| 5 | Dated: September ____, 2013 | STUTMAN, TREISTER & GLATT, P.C. |
| 6 | | |
| 7 | | By _____ |
| 8 | | Gary Klausner Counsel for the Committee |
| 9 | Dated: September ____, 2013 | THE GARDNER FIRM, P.C. |
| 10 | | |
| 11 | | By _____ |
| 12 | | Mary E. Olsen Co-counsel for Plaintiffs and the Settlement Classes |
| 13 | Dated: September ____, 2013 | LANKENAU & MILLER, LLP |
| 14 | | |
| 15 | | By _____ |
| 16 | | Stuart J. Miller Co-Counsel for Plaintiffs and the Settlement Class |
| 17 | Dated: September ____, 2013 | OUTTEN & GOLDEN, LLP |
| 18 | | |
| 19 | | By _____ |
| 20 | | René S. Roupinian Co-counsel for Plaintiffs and the Settlement Class |
| 21 | Dated: September ____, 2013 | REEDER LAW CORPORATION |
| 22 | | |
| 23 | | By _____ |
| 24 | | David M. Reeder Co-counsel for Plaintiffs and the Settlement Class |
| 25 | | |
| 26 | | |
| 27 | | |

74262-00017/1976311.10

13

STIPULATION OF CLASS SETTLEMENT

| | | |
|----|-----------------------------------|--|
| 1 | Dated: September ____, 2013 | GREENBERG GLUSKER FIELDS CLAMAN & MACHTINGER LLP |
| 2 | | |
| 3 | | By _____ |
| 4 | | Olivia Goodkin Counsel for the Debtor |
| 5 | Dated: September <u>24</u> , 2013 | STUTMAN, TREISTER & GLATT, P.C. |
| 6 | |  |
| 7 | | By _____ |
| 8 | | Gary Klausner Counsel for the Committee |
| 9 | Dated: September ____, 2013 | THE GARDNER FIRM, P.C. |
| 10 | | |
| 11 | | By _____ |
| 12 | | Mary E. Olsen Co-counsel for Plaintiffs and the Settlement Classes |
| 13 | Dated: September ____, 2013 | LANKENAU & MILLER, LLP |
| 14 | | |
| 15 | | By _____ |
| 16 | | Stuart J. Miller Co-Counsel for Plaintiffs and the Settlement Class |
| 17 | Dated: September ____, 2013 | OUTTEN & GOLDEN, LLP |
| 18 | | |
| 19 | | By _____ |
| 20 | | René S. Roupinian Co-counsel for Plaintiffs and the Settlement Class |
| 21 | Dated: September ____, 2013 | REEDER LAW CORPORATION |
| 22 | | |
| 23 | | By _____ |
| 24 | | David M. Reeder Co-counsel for Plaintiffs and the Settlement Class |
| 25 | | |
| 26 | | |
| 27 | | |

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13

STIPULATION OF CLASS SETTLEMENT

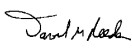
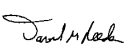
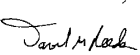
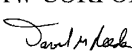
| | | |
|----|-----------------------------------|---|
| 1 | Dated: September ____, 2013 | GREENBERG GLUSKER FIELDS CLAMAN & MACHTINGER LLP |
| 2 | | |
| 3 | | By _____ |
| 4 | | Olivia Goodkin Counsel for the Debtor |
| 5 | Dated: September ____, 2013 | STUTMAN, TREISTER & GLATT, P.C. |
| 6 | | |
| 7 | | By _____ |
| 8 | | Gary Klausner Counsel for the Committee |
| 9 | Dated: September <u>24</u> , 2013 | THE GARDNER FIRM, P.C. |
| 10 | | By  For Mary E. Olsen |
| 11 | | Mary E. Olsen Co-counsel for Plaintiffs and the Settlement Classes |
| 12 | | |
| 13 | Dated: September <u>24</u> , 2013 | LANKENAU & MILLER, LLP |
| 14 | | By  For Stuart J. Miller |
| 15 | | Stuart J. Miller Co-Counsel for Plaintiffs and the Settlement Class |
| 16 | | |
| 17 | Dated: September <u>24</u> , 2013 | OUTTEN & GOLDEN, LLP |
| 18 | | By  For René S. Roupinian |
| 19 | | René S. Roupinian Co-counsel for Plaintiffs and the Settlement Class |
| 20 | | |
| 21 | Dated: September <u>24</u> , 2013 | REEDER LAW CORPORATION |
| 22 | | By  |
| 23 | | David M. Reeder Co-counsel for Plaintiffs and the Settlement Class |
| 24 | | |
| 25 | | |
| 26 | | |
| 27 | | |
| | 74262-00017/1976311.10 | 13 STIPULATION OF CLASS SETTLEMENT |

EXHIBIT “1”

| | Last Name | First Name | Address | City | State | Zip Code | Allowed Priority Wage/Benefit Claim | Allowed Unsecured Wage/Benefit Claim | WARN Wages and Benefits | Class Rep Fees | Gross Pro Rata Share of WARN Common Fund After Deduction of Class Rep Fees | Attorney Fees (1/3) | Estimated Costs | Net WARN Payment After the Deduction of Service Payments, Fees and Estimated Costs |
|----|--------------|--------------|-----------------------------------|-------------------|-------|----------|--|---|----------------------------|-------------------|--|------------------------|--------------------|---|
| 1 | Aceves | Mike | 3725 Greenfield Ave. | Los Angeles | CA | 90034 | 8,520.00 | - | 15,599.85 | | 4,196.16 | 1,398.72 | 126.05 | 2,671.39 |
| 2 | Aeby | Briana | 434 N Stanley Ave | Los Angeles | CA | 90036 | 4,320.00 | - | 10,320.00 | | 2,775.95 | 925.32 | 126.05 | 1,724.58 |
| 3 | Aguirre | Suzaine | 9016 Haskell Ave. | North Hills | CA | 91343 | 4,102.00 | - | 7,201.81 | | 1,937.19 | 645.73 | 126.05 | 1,165.41 |
| 4 | Anderson | William | 10334 Tennessee Ave. | Los Angeles | CA | 90064 | 11,725.00 | 15,595.18 | 39,006.96 | | 10,492.37 | 3,497.46 | 126.05 | 6,868.86 |
| 5 | Bahan | Jenny | 1616 Carlson Ln. | Redondo Beach | CA | 90278 | 11,725.00 | 5,718.08 | 16,610.16 | | 4,467.92 | 1,489.31 | 126.05 | 2,852.56 |
| 6 | Bahnsen | Randall | 370 Tow Hill Rd. | Port Matilda | PA | 16870 | 11,725.00 | 15,514.52 | 13,726.40 | | 3,692.22 | 1,230.74 | 126.05 | 2,335.43 |
| 7 | Balandran | Juan | 7012 Somerset Blvd. | Paramount | CA | 90723 | 1,274.40 | - | 6,672.00 | | 1,794.68 | 598.23 | 126.05 | 1,070.40 |
| 8 | Baldwin | Alexandra | 257 E. Valencia Ave. Apt. 212 | Burbank | CA | 91502 | 4,983.00 | - | 8,888.89 | | 2,391.00 | 797.00 | 126.05 | 1,467.95 |
| 9 | Bamimore | Samson | Po Box 91001 | Los Angeles | CA | 90009 | 11,725.00 | 27,122.74 | 16,536.88 | | 4,448.21 | 1,482.74 | 126.05 | 2,839.42 |
| 10 | Barcelo | Anthony | 10320 Mather Ave. | Sunland | CA | 91040 | 10,449.00 | - | 16,004.46 | 10,000.00 | 4,304.99 | 1,435.00 | 126.05 | 2,743.94 |
| 11 | Barnes | Brenda | 8715 Ramsgate Ave. #203 | Westchester | CA | 90045 | 9,639.00 | - | 6,981.60 | | 1,877.96 | 625.99 | 126.05 | 1,125.92 |
| 12 | Bartel | Jeremy | 4520 10th Ave. | Los Angeles | CA | 90043 | 2,444.00 | - | 6,070.00 | | 1,632.75 | 544.25 | 126.05 | 962.45 |
| 13 | Berger | Jesse | 27476 Revere Way | Agoura Hills | CA | 91301 | 1,540.00 | - | 4,730.00 | | 1,272.31 | 424.10 | 126.05 | 722.16 |
| 14 | Bernacki | Beverly | P.O. Box 813 | Lake Hughes | CA | 93532 | 7,129.50 | - | 11,760.00 | | 3,163.29 | 1,054.43 | 126.05 | 1,982.81 |
| 15 | Bevelheimer | Anita | 7471 Denrock Ave. | Los Angeles | CA | 90045 | 11,725.00 | 4,226.75 | 14,730.88 | | 3,962.42 | 1,320.81 | 126.05 | 2,515.56 |
| 16 | Blasiak | Brian | 3450 Sawtelle Blvd. Apt. 264 | Los Angeles | CA | 90066 | 10,608.00 | - | 20,185.50 | | 5,429.64 | 1,809.88 | 126.05 | 3,493.71 |
| 17 | Blaustein | Justin | 327 N. Croft Ave. | Los Angeles | CA | 90048 | 7,200.00 | - | 12,000.00 | | 3,227.84 | 1,075.95 | 126.05 | 2,025.85 |
| 18 | Bonilla | Eric | 11966 Wagner St. | Culver City | CA | 90230 | 11,725.00 | 41,833.74 | 12,722.61 | | 3,422.22 | 1,140.74 | 126.05 | 2,155.43 |
| 19 | Brunskill | Nathan | 1125 N. Ogden Dr. #2 | West Hollywood | CA | 90046 | 8,368.36 | - | 12,146.01 | | 3,267.12 | 1,089.04 | 126.05 | 2,052.03 |
| 20 | Bryman | Alexandra | 428 Altair Place | Venice | CA | 90291 | 11,725.00 | 7,437.40 | 12,176.00 | | 3,275.19 | 1,091.73 | 126.05 | 2,057.41 |
| 21 | Burstin | Stacy L. | 7331 Earldom Ave. | Playa Del Rey | CA | 90293 | 11,725.00 | 77,327.24 | 21,634.16 | | 5,819.31 | 1,939.77 | 126.05 | 3,753.49 |
| 22 | Byrd | Richard Scot | 1328 Palms Blvd | Venice | CA | 90291 | 11,725.00 | 5,846.99 | 11,085.15 | | 2,981.76 | 993.92 | 126.05 | 1,861.79 |
| 23 | Caggiano | Joseph | 3701 1/2 Sawtelle Blvd. | Los Angeles | CA | 90066 | 1,965.96 | - | 13,792.80 | | 3,710.09 | 1,236.70 | 126.05 | 2,347.34 |
| 24 | Campbell | Rachael | 2408 34th St. #3 | Santa Monica | CA | 90405 | 5,654.25 | - | 14,711.45 | | 3,957.19 | 1,319.06 | 126.05 | 2,512.08 |
| 25 | Capizzi | Thomas | 4900 Overland Ave. #291 | Culver City | CA | 90230 | 11,725.00 | 61,032.62 | 22,120.00 | 10,000.00 | 5,949.99 | 1,983.33 | 126.05 | 3,840.61 |
| 26 | Chao | Jo-Wan | 20521 Madison St. | Torrance | CA | 90503 | 11,725.00 | 19,693.37 | 15,608.08 | | 4,198.37 | 1,399.46 | 126.05 | 2,672.86 |
| 27 | Chapman | Michael | 245 E. 46 St. | Long Beach | CA | 90807 | 10,449.00 | - | 16,042.30 | | 4,315.17 | 1,438.39 | 126.05 | 2,750.73 |
| 28 | Chi | ShaoLin | 3150 W. 134th Pl. | Hawthorne | CA | 90250 | 8,190.00 | - | 5,952.75 | | 1,601.21 | 533.74 | 126.05 | 941.42 |
| 29 | Chin | Man Louk | 5950 Canterbury Dr. #c308 | Culver City | CA | 90230 | 11,725.00 | 1,271.00 | 14,100.70 | | 3,792.91 | 1,264.30 | 126.05 | 2,402.55 |
| 30 | Chmilar | Michael | 10807 Jefferson Blvd | Culver City | CA | 90230 | 11,725.00 | 17,124.42 | 19,668.32 | | 5,290.52 | 1,763.51 | 126.05 | 3,400.97 |
| 31 | Chung | Sean | 611 Howard St. #309 | Glendale | CA | 91206 | 704.00 | - | 3,784.00 | | 1,017.85 | 339.28 | 126.05 | 552.51 |
| 32 | Cilley | Jeffrey | 119 Driftwood Street #16 | Marina Del Rey | CA | 90292 | 11,725.00 | 6,644.21 | 11,037.36 | | 2,968.91 | 989.64 | 126.05 | 1,853.22 |
| 33 | Clary Jr. | Thomas | 5151 Comercio Ave. | Woodland Hills | CA | 91364 | 6,180.63 | - | 14,380.00 | | 3,868.03 | 1,289.34 | 126.05 | 2,452.64 |
| 34 | Claus | Scott | 950 Kings Road #360 | West Hollywood | CA | 90069 | 7,704.00 | - | 17,263.26 | | 4,643.59 | 1,547.86 | 126.05 | 2,969.68 |
| 35 | Cobb | Seth | 8617 County Road 8 | Meeker | CO | 81641 | 11,725.00 | 93.89 | 14,573.31 | | 3,920.03 | 1,306.68 | 126.05 | 2,487.30 |
| 36 | Collins | Daniel | 15511 Manhattan Place | Gardena | CA | 90249 | 11,725.00 | 8,350.60 | 11,144.00 | | 2,997.59 | 999.20 | 126.05 | 1,872.34 |
| 37 | Collins | Marcus | 3664 W. 58 Pl. | Los Angeles | CA | 90043 | 11,725.00 | 16,141.40 | 19,259.75 | | 5,180.62 | 1,726.87 | 126.05 | 3,327.70 |
| 38 | Consani | Christopher | 728 33rd St. | Manhattan Beach | CA | 90266 | 11,725.00 | 48,476.12 | 39,977.04 | | 10,753.31 | 3,584.44 | 126.05 | 7,042.82 |
| 39 | Coonce | Sean | 8200 Redlands St. #301 | Playa Del Rey | CA | 90293 | 9,576.00 | - | 15,991.27 | | 4,301.45 | 1,433.82 | 126.05 | 2,741.58 |
| 40 | Crandall | Trevor | 400 E. Sunset Ave. | San Gabriel | CA | 91776 | 3,952.00 | - | 13,072.00 | | 3,516.20 | 1,172.07 | 126.05 | 2,218.08 |
| 41 | Cullen | Scott | 3717 Bagley Ave. Apt. 307 | Los Angeles | CA | 90034 | 8,040.00 | - | 14,849.11 | | 3,994.22 | 1,331.41 | 126.05 | 2,536.76 |
| 42 | Cunningham | Timothy | 801 Kessler Cove | Pflugerville | TX | 78660 | 11,381.75 | - | 23,840.00 | | 6,412.65 | 2,137.55 | 126.05 | 4,149.05 |
| 43 | Daly | Ruth | 123 Avenida Trieste | San Clemente | CA | 92672 | 4,608.00 | - | 11,008.00 | | 2,661.01 | 987.00 | 126.05 | 1,847.96 |
| 44 | De La Torre | Alfonso | 5618 W. 78th St. | Los Angeles | CA | 90045 | 4,000.00 | - | 17,960.55 | | 4,831.16 | 1,610.39 | 126.05 | 3,094.72 |
| 45 | Degtjarevsky | Michael | 17149 Palisades Circle | Pacific Palisades | CA | 90272 | 7,488.00 | - | 16,992.00 | | 4,570.63 | 1,523.54 | 126.05 | 2,921.04 |
| 46 | Donlevy | Timothy | 11004 Hope Street | South Pasadena | CA | 91030 | 6,365.00 | - | 15,810.85 | | 4,252.92 | 1,417.64 | 126.05 | 2,709.23 |
| 47 | Drake | Benjamin | 590 John King Drive, Unit 102 | Long Beach | CA | 90803 | 3,090.00 | - | 7,634.54 | | 2,053.59 | 684.53 | 126.05 | 1,243.01 |
| 48 | Drury | Alicia Lynn | 3162 Kallin Ave. | Long Beach | CA | 90808 | 2,880.00 | - | 8,220.00 | | 2,211.07 | 737.02 | 126.05 | 1,348.00 |
| 49 | Duan | Shan | 71 Brighton Ave. | San Francisco | CA | 94112 | 4,752.00 | - | 7,568.00 | | 2,035.69 | 678.56 | 126.05 | 1,231.08 |
| 50 | Duran | Venecia | 940 Venice Blvd. #2 | Venice | CA | 90291 | 6,450.57 | - | 13,232.08 | | 3,559.26 | 1,186.42 | 126.05 | 2,246.79 |
| 51 | Durr | Antoine | 10659 Cranks Road | Culver City | CA | 90230 | 11,398.50 | - | 23,543.01 | | 6,332.77 | 2,110.92 | 126.05 | 4,095.79 |
| 52 | Edde | Rony | 1234 6th St. Apt. 208 | Santa Monica | CA | 90401 | 9,333.00 | - | 19,275.29 | | 5,184.81 | 1,728.27 | 126.05 | 3,330.49 |
| 53 | Einhorn | Joel | 3939 Wade St. | Los Angeles | CA | 90066 | 10,237.00 | - | 21,832.31 | | 5,872.61 | 1,957.54 | 126.05 | 3,789.02 |
| 54 | Esmail | Yasin | 3808 Stocker St. Unit #2 | Los Angeles | CA | 90008 | 11,725.00 | 31,294.87 | 17,610.16 | | 4,736.91 | 1,578.97 | 126.05 | 3,031.89 |
| 55 | Ewart | Christopher | 5535 Westlawn Ave. Apt. 379 | Los Angeles | CA | 90066 | 5,710.50 | - | 10,344.42 | | 2,782.52 | 927.51 | 126.05 | 1,728.96 |
| 56 | Factor | Johanna | 160 S. Virgil Ave. Apt. 236 | Los Angeles | CA | 90004 | 3,600.00 | - | 10,320.00 | | 2,775.95 | 925.32 | 126.05 | 1,724.58 |
| 57 | Fan | Tony | 1315 Riverchase Dr Apt 315 | Coppell | TX | 75019 | 4,032.00 | - | 10,191.60 | | 2,741.41 | 913.80 | 126.05 | 1,701.56 |
| 58 | Fischer | Michael | 3013 Johnston Ave. | Redondo Beach | CA | 90278 | 7,560.00 | - | 19,110.00 | | 5,140.34 | 1,713.45 | 126.05 | 3,300.85 |
| 59 | Frevert | Michael A. | 4941 Whitsett Ave. Apt. 2 | North Hollywood | CA | 91607 | 11,725.00 | 17,811.24 | 13,620.80 | | 3,663.82 | 1,221.27 | 126.05 | 2,316.50 |
| 60 | Fujioki | Lauren | 2401 W. 171st St. | Torrance | CA | 90504 | 5,346.00 | - | 7,817.49 | | 2,102.81 | 700.94 | 126.05 | 1,275.82 |
| 61 | Garcia | Jorge | 8325 Capps Ave. | Northridge | CA | 91324 | 9,363.25 | - | 17,598.48 | | 4,733.76 | 1,577.92 | 126.05 | 3,029.79 |
| 62 | Garrido | Rafael | 3855 Motor Ave. Apt. 210 | Culver City | CA | 90232 | 4,180.00 | - | 9,460.00 | | 2,544.62 | 848.21 | 126.05 | 1,570.36 |
| 63 | Gaw | Henry | 8144 Sierra Bonita Ave. | Rosemead | CA | 91770 | 4,024.80 | - | 8,591.02 | | 2,310.87 | 770.29 | 126.05 | 1,414.53 |
| 64 | George | Robin | 431 Indiana St. #s | El Segundo | CA | 90245 | 8,778.00 | - | 15,204.78 | | 4,089.89 | 1,363.30 | 126.05 | 2,600.54 |
| 65 | Ghio | Christopher | 210 S. Commonwealth Ave. Apt. 102 | Los Angeles | CA | 90004 | 4,395.00 | - | 10,618.54 | | 2,856.25 | 952.08 | 126.05 | 1,778.12 |
| 66 | Gionis | Anastasios | 327 N. Harbor View Ave. | San Pedro | CA | 90732 | 7,623.00 | - | 15,883.70 | | 4,272.51 | 1,424.17 | 126.05 | 2,722.29 |
| 67 | Goodman | John | 3514 Moore St. | Los Angeles | CA | 90066 | 11,725.00 | 37,918.88 | 26,722.72 | | 7,188.07 | 2,396.02 | 126.05 | 4,665.99 |
| 68 | Granberg | Timothy | 215 West Palm Ave. #106 | El Segundo | CA | 90245 | 10,260.00 | - | 18,158.56 | | 4,884.42 | 1,628.14 | 126.05 | 3,130.23 |
| 69 | Greenquist | Stephanie | 3763 Motor Ave. #14 | Los Angeles | CA | 90034 | 3,990.00 | - | 9,510.00 | | 2,558.07 | 852.69 | 126.05 | 1,579.33 |
| 70 | Gress | Ronald | 4036 Via Solano | Palos Verdes | CA | 90274 | 11,725.00 | 501.50 | 19,608.00 | | 5,274.30 | 1,758.10 | 126.05 | 3,390.15 |
| 71 | Guirola | Michael | 7020 Cedar St. | Huntington Park | CA | 90255 | 2,077.60 | - | 5,296.00 | | 1,424.56 | 474.85 | 126.05 | 823.65 |
| 72 | Halperin | Craig | 5736 Costello Ave. | Van Nuys | CA | 91401 | 8,843.75 | - | 23,420.58 | | 6,299.83 | 2,099.94 | 126.05 | 4,073.84 |
| 73 | Hamamah | Sebo | 2213 Dufour Ave. #b | Redondo Beach | CA | 90278 | 11,725.00 | 30,749.28 | 20,634.59 | | 5,550.44 | 1,850.15 | 126.05 | 3,574.24 |
| 74 | Hammock | R Taigne | 3715 Kelton Ave. #1 | Los Angeles | CA | 90034 | 4,500.00 | - | 11,230.00 | | 3,020.72 | 1,006.91 | 126.05 | 1,887.77 |
| 75 | Hammond | Justin | 727 N. Griffith Park Dr. | Burbank | CA | 91506 | 7,650.00 | - | 15,653.93 | | 4,210.71 | 1,403.57 | 126.05 | 2,681.09 |
| 76 | Hardy | Benjamin | 4949 Cleon Ave. | Studio City | CA | 91601 | 11,725.00 | 9,998.99 | 10,899.76 | | 2,931.89 | 977.30 | 126.05 | 1,828.55 |
| 77 | Harlow | Gael | 457 1/2 N. Hayworth Avenue | Los Angeles | CA | 90048 | 11,262.36 | - | 17,581.14 | | 4,729.10 | 1,576.37 | 126.05 | 3,026.68 |
| 78 | Haun | Steven | 439 Longfellow Ave. | Hermosa Beach | CA | 90254 | 4,680.00 | - | 12,230.00 | | 3,289.71 | 1,096.57 | 126.05 | 2,067.09 |
| 79 | Hays | Anthony | 1944 Whitley Ave. #205 | Los Angeles | CA | 90068 | 4,400.00 | - | 8,600.00 | | 2,313.29 | 771.10 | 126.05 | 1,416.14 |
| 80 | Hedberg | Gustav | 1725 Oxley St Unit D | South Pasadena | CA | 91030 | 4,425.00 | - | 11,456.67 | | 3,081.70 | 1,027.23 | 12 | |

| | Last Name | First Name | Address | City | State | Zip Code | Allowed Priority Wage/Benefit Claim | Allowed Unsecured Wage/Benefit Claim | WARN Wages and Benefits | Class Rep Fees | Gross Pro Rata Share of WARN Common Fund After Deduction of Class Rep Fees | Attorney Fees (1/3) | Estimated Costs | Net WARN Payment After the Deduction of Service Payments, Fees and Estimated Costs |
|-----|------------------|----------------|--------------------------------------|------------------|-------|----------|--|---|----------------------------|-------------------|--|------------------------|--------------------|---|
| 82 | Hirano | Junji | 1530 Granville Ave. Apt. #6 | Los Angeles | CA | 90025 | 6,048.00 | - | 15,498.00 | | 4,168.76 | 1,389.59 | 126.05 | 2,653.12 |
| 83 | Ho | Wilbert | 15001 CONDON AVE.APT. 29 | LAWNDALE | CA | 90260 | 5,967.00 | - | 9,658.63 | | 2,598.05 | 866.02 | 126.05 | 1,605.98 |
| 84 | Hoffman | Chikako | 4370 McLaughlin Ave. #105 | Los Angeles | CA | 90066 | 5,040.00 | - | 12,841.68 | | 3,454.25 | 1,151.42 | 126.05 | 2,176.78 |
| 85 | Hollander | Michael | 396 PINE HILL RD. #16 | MILL VALLEY | CA | 94941 | 9,450.00 | - | 17,102.79 | | 4,600.43 | 1,533.48 | 126.05 | 2,940.90 |
| 86 | Hopper | Mark | 1035 N. Sweetzer Ave | West Hollywood | CA | 90069 | 11,725.00 | 6,721.06 | 11,801.04 | | 3,174.33 | 1,058.11 | 126.05 | 1,990.17 |
| 87 | Houy | Markus | 586 West 11th Street | Claremont | CA | 91711 | 11,725.00 | 31,644.42 | 22,522.48 | | 6,058.26 | 2,019.42 | 126.05 | 3,912.79 |
| 88 | Howe | Christopher W. | 17311 Coronado Lane | Huntington Beach | CA | 92647 | 7,840.00 | - | 24,080.00 | | 6,477.21 | 2,159.07 | 126.05 | 4,192.09 |
| 89 | Huey Jr. | James | 8 Turtle Bay Dr. | Newport Beach | CA | 92660 | 11,725.00 | 29,879.40 | 16,168.00 | | 4,348.98 | 1,449.66 | 126.05 | 2,773.27 |
| 90 | Huggins | Charlotte | 752 Westholme Ave. | Los Angeles | CA | 90024 | 11,725.00 | 16,313.47 | 30,816.32 | | 8,289.19 | 2,763.06 | 126.05 | 5,400.08 |
| 91 | Hur | Steven | 217 E. Commonwealth Ave., #h | Alhambra | CA | 91801 | 6,398.40 | - | 9,048.00 | | 2,433.80 | 811.27 | 126.05 | 1,496.48 |
| 92 | Imhof | John | 750 N. Garland Ave. Apt. 641 | Los Angeles | CA | 90017 | 9,045.00 | - | 17,364.02 | | 4,670.70 | 1,556.90 | 126.05 | 2,987.75 |
| 93 | Ingold | Arron | 620 The Village Unit 308 | Redondo Beach | CA | 90277 | 4,392.00 | - | 16,568.08 | | 4,456.60 | 1,485.53 | 126.05 | 2,845.02 |
| 94 | Irvin | Isaac D. | 38 1/2 Rose Ave. #2 | Venice | CA | 90291 | 8,990.00 | - | 22,479.93 | | 6,046.81 | 2,015.60 | 126.05 | 3,905.16 |
| 95 | Ishiwata | Yukiko | 7506 Flight Ave. | Los Angeles | CA | 90045 | 11,725.00 | 32,703.74 | 11,774.40 | | 3,167.16 | 1,055.72 | 126.05 | 1,985.39 |
| 96 | Jalali | Hadi | 1827 E. Woodbury Rd. | Pasadena | CA | 91104 | 9,000.00 | - | 21,980.00 | | 5,912.34 | 1,970.78 | 126.05 | 3,815.51 |
| 97 | Jean-Ware | Kelly | 127 1/2 Marguerita Ave. | Monterey Park | CA | 91754 | 5,040.00 | - | 12,520.00 | | 3,367.72 | 1,122.57 | 126.05 | 2,119.10 |
| 98 | Jennings | Andrew | 5609 Mistridge Dr. | Ranchos Pls Vrds | CA | 90275 | 11,040.00 | - | 12,675.33 | | 3,409.50 | 1,136.50 | 126.05 | 2,146.95 |
| 99 | Jeppe Jr. | Arthur | 457 Costa Mesa St. | Costa Mesa | CA | 92627 | 11,725.00 | 2,159.00 | 23,410.00 | | 6,296.99 | 2,099.00 | 126.05 | 4,071.94 |
| 100 | Johnson | Casey | 212 N. Catalina Ave Unit A | Redondo Beach | CA | 90277 | 5,577.00 | - | 9,706.06 | | 2,610.80 | 870.27 | 126.05 | 1,614.49 |
| 101 | Johnson | Jeffrey J. | 707 N Genesee Ave. Apt. 8 | Los Angeles | CA | 90046 | 11,725.00 | 177.50 | 16,840.01 | | 4,529.75 | 1,509.92 | 126.05 | 2,893.78 |
| 102 | Jones | Marvin F. | 4631 3/4 Melbourne Avenue | Los Angeles | CA | 90027 | 11,725.00 | 21,121.14 | 11,432.96 | | 3,075.32 | 1,025.11 | 126.05 | 1,924.16 |
| 103 | Jones | Shawn | 17950 Lassen St. Apt. 56 | Northridge | CA | 91325 | - | - | 7,740.00 | | 2,081.96 | 693.99 | 126.05 | 1,261.92 |
| 104 | Juarez | Cruz | 3236 W. 111th St. | Inglewood | CA | 90303 | 1,119.04 | - | 3,577.60 | | 962.33 | 320.78 | 126.05 | 515.50 |
| 105 | Jung | Scott | 1414 S. Gramercy Pl. #1 | Los Angeles | CA | 90019 | 9,350.00 | - | 20,972.04 | | 5,641.21 | 1,880.40 | 126.05 | 3,634.76 |
| 106 | Kaczor | Lauren | 3767 Clarington Ave. Apt. 116 | Los Angeles | CA | 90034 | 3,745.50 | - | 8,096.00 | | 2,177.72 | 725.91 | 126.05 | 1,325.76 |
| 107 | Kass | Perry | 7620 Kittyhawk Ave. | Westchester | CA | 90045 | 5,940.00 | - | 13,760.00 | | 3,701.26 | 1,233.75 | 126.05 | 2,341.46 |
| 108 | Kavanaugh | Patricia | 8911 Hubbard St. | Culver City | CA | 90232 | 6,721.25 | - | 13,666.21 | | 3,676.03 | 1,225.34 | 126.05 | 2,324.64 |
| 109 | Keith | Elizabeth | 128 Park Place | Venice | CA | 90291 | 3,200.00 | - | 17,871.11 | | 4,807.10 | 1,602.37 | 126.05 | 3,078.68 |
| 110 | Keller | David | 7331 Earldom Ave. | Playa Del Rey | CA | 90293 | 11,725.00 | 42,089.58 | 21,032.96 | | 5,657.59 | 1,885.86 | 126.05 | 3,645.68 |
| 111 | Kelly | Kristan Kyle | 5020 Coldwater Canyon Ave Apt 208 | Sherman Oaks | CA | 91423 | 6,450.00 | - | 17,200.00 | | 4,626.58 | 1,542.19 | 126.05 | 2,958.33 |
| 112 | Kent Jr. | Robert | 3630 SOUTH SEPULVEDA BLVD., APT. 109 | LOS ANGELES | CA | 90034 | 6,237.00 | - | 10,390.06 | | 2,794.79 | 931.60 | 126.05 | 1,737.14 |
| 113 | Kern | Robert | 20910 Anza Ave. #226 | Torrance | CA | 90503 | 2,816.00 | - | 8,048.00 | | 2,164.81 | 721.60 | 126.05 | 1,317.15 |
| 114 | Kharevych | Lilya | 715 5th Ave. | Venice | CA | 90291 | 8,664.93 | - | 17,150.24 | | 4,613.19 | 1,537.73 | 126.05 | 2,949.41 |
| 115 | Kharitonashvili | Valer | 3765 Motor Ave | Los Angeles | CA | 90034 | 9,222.00 | - | 20,375.83 | | 5,480.83 | 1,826.94 | 126.05 | 3,527.84 |
| 116 | Kilgallon | Patrick | 1601 Venice Blvd. Apt. 401 | Venice | CA | 90291 | 5,250.00 | - | 9,941.76 | | 2,674.20 | 891.40 | 126.05 | 1,656.75 |
| 117 | Kimelton | Eric | 10964 Wellworth Ave. #204 | Los Angeles | CA | 90024 | 3,740.00 | - | 10,166.67 | | 2,734.70 | 911.57 | 126.05 | 1,697.08 |
| 118 | Kistler | William | 10770 Lawler St. Apt. 6 | Los Angeles | CA | 90034 | 9,901.50 | - | 17,968.58 | | 4,833.31 | 1,611.10 | 126.05 | 3,096.16 |
| 119 | Kitney | Shelagh | 4145 Via Marina Apt. 211 | Marina Del Rey | CA | 90292 | 1,584.00 | - | 18,540.88 | | 4,987.26 | 1,662.42 | 126.05 | 3,198.79 |
| 120 | Knudsen | Marta | 1724 Montana Ave. Apt. #1 | Santa Monica | CA | 90403 | 11,725.00 | 43,541.90 | 26,664.91 | | 7,172.52 | 2,390.84 | 126.05 | 4,655.63 |
| 121 | Ko | Alexander | 4764 La Villa Marina Unit #n | Marina Del Rey | CA | 90292 | 11,725.00 | 11,797.23 | 13,151.49 | | 3,537.58 | 1,179.19 | 126.05 | 2,232.34 |
| 122 | Ko | Ji Hyun | 6230 Wilshire Blvd. #1134 | Los Angeles | CA | 90048 | 4,680.00 | - | 11,188.76 | | 3,009.63 | 1,003.21 | 126.05 | 1,880.37 |
| 123 | Kovas | Konstantinos | 7907 Croydon Ave. | Los Angeles | CA | 90045 | 11,725.00 | 2,821.20 | 11,609.46 | | 3,122.80 | 1,040.93 | 126.05 | 1,955.81 |
| 124 | Kozicki | Eugene M. | 11260 Overland Ave. #10b | Culver City | CA | 90230 | 11,725.00 | 7,637.19 | 14,215.92 | | 3,823.90 | 1,274.63 | 126.05 | 2,423.22 |
| 125 | Kreusel | Louis | 4386 W. 134th St. Apt. B | Hawthorne | CA | 90250 | 3,694.21 | - | 9,154.64 | | 2,462.48 | 820.83 | 126.05 | 1,515.60 |
| 126 | Kurras | Kenneth | 328 Standard St. #4 | El Segundo | CA | 90245 | 7,056.00 | - | 17,336.00 | | 4,663.16 | 1,554.39 | 126.05 | 2,982.72 |
| 127 | La Plant | Erik | 29 Clubhouse Ave. Apt. 2 | Venice | CA | 90291 | 3,080.00 | - | 9,940.00 | | 2,673.73 | 891.24 | 126.05 | 1,656.44 |
| 128 | Leach | Nicholas | 2427 Rockdell St. | La Crescenta | CA | 91214 | 8,786.00 | - | 18,340.75 | | 4,933.43 | 1,644.48 | 126.05 | 3,162.90 |
| 129 | Leandro | Alfredo | 13211 S. Penrose Ave | Compton | CA | 90222 | 6,403.80 | - | 7,188.00 | | 1,933.48 | 644.49 | 126.05 | 1,162.94 |
| 130 | Lee | Hae-Jeon | 8027 Truxton Ave. | Westchester | CA | 90045 | 11,725.00 | 885.00 | 23,802.87 | | 6,402.66 | 2,134.22 | 126.05 | 4,142.39 |
| 131 | Lee | Maggie | 12710 Gilmore Ave. | Los Angeles | CA | 90066 | 4,364.06 | - | 11,456.67 | | 3,081.70 | 1,027.23 | 126.05 | 1,928.41 |
| 132 | Lee | Sean Hyun-In | 4060 Glencoe Ave. #131 | Marina Del Rey | CA | 90292 | 11,725.00 | 14,413.44 | 18,648.38 | | 5,016.17 | 1,672.06 | 126.05 | 3,218.06 |
| 133 | Lindstrom | Whitman | 3866 San Augustine Dr. | Glendale | CA | 91206 | 4,608.00 | - | 11,008.00 | | 2,961.01 | 987.00 | 126.05 | 1,847.96 |
| 134 | Lloyd | Michael | 234 Ensenada Ave. | Newbury Park | CA | 91320 | 10,800.00 | - | 25,800.00 | | 6,939.87 | 2,313.29 | 126.05 | 4,500.53 |
| 135 | Lodsdon | Jonathan | 4315 W. 182nd St. Apt. 122 | Torrance | CA | 90504 | 5,175.00 | - | 11,182.22 | | 3,007.87 | 1,002.62 | 126.05 | 1,879.20 |
| 136 | Loza | Erica | 7417 Via Rio Nido | Downey | CA | 90241 | 11,725.00 | 951.71 | 9,481.44 | | 2,550.38 | 850.13 | 126.05 | 1,574.21 |
| 137 | Macbain | Donald | 7225 Crescent Park W Apt. 158 | Playa Vista | CA | 0094-275 | 8,500.00 | - | 21,980.00 | | 5,912.34 | 1,970.78 | 126.05 | 3,815.51 |
| 138 | Machado | Mary Lynn | 3010 Johnston Ave. | Redondo Beach | CA | 90278 | 11,725.00 | 32,039.43 | 22,680.74 | | 6,100.83 | 2,033.61 | 126.05 | 3,941.17 |
| 139 | Machado | Michelle | 315 E. Sycamore Ave. | El Segundo | CA | 90245 | 10,465.00 | - | 20,613.28 | | 5,544.71 | 1,848.24 | 126.05 | 3,570.42 |
| 140 | Mahon | Richard | 72 Hollyleaf | Aliso Viejo | CA | 92656 | 11,725.00 | 17,399.48 | 40,124.96 | | 10,793.10 | 3,597.70 | 126.05 | 7,069.35 |
| 141 | Mahoney | Vina | 7610 Alcovue Ave. | North Hollywood | CA | 91605 | 7,440.00 | - | 14,095.61 | | 3,791.54 | 1,263.85 | 126.05 | 2,401.64 |
| 142 | Mai | Miko Wen Jin | 8762 Plaza Park Ln. | San Diego | CA | 92123 | 4,278.00 | - | 8,564.75 | | 2,303.81 | 767.94 | 126.05 | 1,409.82 |
| 143 | Maples | Karl R | 1048 S. Alfred St. | Los Angeles | CA | 90035 | 11,725.00 | 4,519.87 | 22,061.06 | | 5,934.14 | 1,978.05 | 126.05 | 3,830.04 |
| 144 | Matsubara | Shoichi | 5535 Westlawn Ave. #248 | Los Angeles | CA | 90066 | 8,212.50 | - | 17,680.00 | | 4,755.69 | 1,585.23 | 126.05 | 3,044.41 |
| 145 | Matsumoto | Noriaki | 3144 S. Canfield Ave #202 | Los Angeles | CA | 90034 | 9,324.00 | - | 14,448.00 | | 3,886.33 | 1,295.44 | 126.05 | 2,464.83 |
| 146 | Mc Cardle | Keenan | 3421 Tilden Ave. | Los Angeles | CA | 90034 | 10,228.14 | - | 7,411.60 | | 1,993.62 | 664.54 | 126.05 | 1,203.03 |
| 147 | McMillan | Michael | 818 Main St. #101 | El Segundo | CA | 90245 | 11,725.00 | 47,563.08 | 19,773.78 | | 5,318.89 | 1,772.96 | 126.05 | 3,419.88 |
| 148 | Meyer | Sebastian | 4215 McLaughlin Ave. Apt. 9 | Los Angeles | CA | 90066 | 5,200.00 | - | 17,855.51 | | 4,802.90 | 1,600.97 | 126.05 | 3,075.88 |
| 149 | Michaud | Jonah | 11050 Strathmore Dr. # 415 | Los Angeles | CA | 90024 | 11,725.00 | 37,803.83 | 14,570.24 | | 3,919.21 | 1,306.40 | 126.05 | 2,486.75 |
| 150 | Miller | Christopher | 9025 Forest Haze Ct. | Mechanicsville | VA | 23116 | 4,800.00 | - | 9,230.88 | | 2,482.99 | 827.66 | 126.05 | 1,529.27 |
| 151 | Min | Aung | 7911 Blackburn Ave. #1 | Los Angeles | CA | 90048 | 7,488.00 | - | 18,368.00 | | 4,940.75 | 1,646.92 | 126.05 | 3,167.79 |
| 152 | Miyoshi | Hiroyuki | 12304 Braddock Dr. | Culver City | CA | 90230 | 11,725.00 | 13,528.64 | 24,300.96 | | 6,536.64 | 2,178.88 | 126.05 | 4,231.71 |
| 153 | Moon | Scott | 4750 Lincoln Blvd. Apt. 365 | Marina Del Rey | CA | 90292 | 2,560.00 | - | 7,587.75 | | 2,041.01 | 680.34 | 126.05 | 1,234.62 |
| 154 | Morales Villegas | William | 4250 Lindblade Dr. #3 | Los Angeles | CA | 90066 | 2,488.80 | - | 5,726.00 | | 1,540.22 | 513.41 | 126.05 | 900.76 |
| 155 | Myrick Jr. | William | 5764 Hillview Park Ave. | Valley Glen | VA | 91401 | 6,609.44 | - | 29,189.20 | | 7,851.52 | 2,617.17 | 126.05 | 5,108.29 |
| 156 | Nadolski | Christopher | 4126 Baldwin Ave. | Culver City | CA | 90232 | 4,138.09 | - | 10,640.72 | | 2,862.22 | 954.07 | 126.05 | 1,782.09 |
| 157 | Neisler | Nicholson | 339 1/2 N. Orange Grove Ave. | Los Angeles | CA | 90036 | 11,725.00 | 5,489.60 | 23,826.24 | | 6,408.95 | 2,136.32 | 126.05 | 4,146.58 |
| 158 | Nesson | Keith | 9141 Swallow Ave. | Fountain Valley | CA | 92708 | 8,562.74 | - | 15,234.16 | | 4,097.79 | 1,365.93 | 126.05 | 2,605.81 |
| 159 | Nimmannitya | Prin | 25967 Aosta Court | Valencia | CA | 91355 | 3,432.00 | - | 5,280.00 | | 1,420.25 | 473.42 | 126.05 | 820.78 |
| 160 | Nolin | Gary | 23514 Via Castanet | Valencia | CA | 91355 | 11,725.00 | 32,147.00 | 28,000.00 | | 7,531.64 | 2,510.55 | 12 | |

|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

EXH 1

16

EXH A

27

| | Last Name | First Name | Address | City | State | Zip Code | Allowed Priority Wage/Benefit Claim | Allowed Unsecured Wage/Benefit Claim | WARN Wages and Benefits | Class Rep Fees | Gross Pro Rata Share of WARN Common Fund After Deduction of Class Rep Fees | Attorney Fees (1/3) | Estimated Costs | Net WARN Payment After the Deduction of Service Payments, Fees and Estimated Costs |
|--|-----------|------------|---------|------|-------|----------|--|---|----------------------------|-------------------|--|------------------------|--------------------|---|
| | | | | | | | | | | | Gross WARN Settlement Fund | | | |
| | | | | | | | | | | | 1,000,000.00 | | | |
| | | | | | | | | | | | Class Rep Fees | | | |
| | | | | | | | | | | | 20,000.00 | | | |
| | | | | | | | | | | | WARN Settlement Distribution | | | |
| | | | | | | | | | | | 980,000.00 | | | |
| | | | | | | | | | | | Pro Rata Split | | | |
| | | | | | | | | | | | 26.8987% | 0.268987082 | | |
| | | | | | | | | | | | Attorney Fees (1/3) | | | |
| | | | | | | | | | | | 326,666.67 | | | |
| | | | | | | | | | | | Estimated Costs | | | |
| | | | | | | | | | | | 30,000.00 | | | |
| | | | | | | | | | | | Estimated Costs Per Person | | | |
| | | | | | | | | | | | 126.05 | | | |

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
1900 Avenue of the Stars, 21st Floor, Los Angeles, CA 90067-4590

A true and correct copy of the foregoing document entitled (*specify*): **STIPULATION OF CLASS SETTLEMENT** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):

Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) September 27, 2013, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

On (*date*) September 27, 2013, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☒ Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (*state method for each person or entity served*):

Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) September 27, 2013, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

VIA OVERNIGHT MAIL
The Honorable Neil W. Bason
United States Bankruptcy Court
255 E. Temple Street, Suite 1552
Los Angeles, CA 90012

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

September 27, 2013
Date

Sonia Gaeta
Printed Name

/s/Sonia Gaeta
Signature

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):

FOR CASE NO. 2:13-BK-13775-NB

Ana B Acevedo on behalf of Interested Party JS
Communications, Co. Ltd.

aacevedo@omm.com

Wayne M. Smith with Warner Bros.

wayne.smith@warnerbros.com

Committee member

Yolanda S Aguilar

Courtesy NEF

David E Ahdoot

dahdoot@bushgottlieb.com,

Courtesy NEF

jpalmer@bushgottlieb.com

Lorie A Ball

lball@peitzmanweg.com

Courtesy NEF, Creditor Warner Bros Pictures, a division of
WB Studio Enterprises Inc., New Line Productions, Inc.,
and 300 Pictures, Inc.

Vivian Bodey

tuntm.bodey@irsounsel.treas.gov

Courtesy NEF

Shawn M Christianson

cmcintire@buchalter.com

Courtesy NEF

Gail L Chung

GL@outtengolden.com, JXH@outtengolden.com

for Anthony Barcelo

Ronald Clifford

rclifford@blakeleyllp.com, ecf@blakeleyllp.com;

for Anthony Barcelo

seb@blakeleyllp.com

Brian L Davidoff

bdavidoff@greenbergglusker.com,

for AWTR Liquidation, Inc.,

jreinglass@greenbergglusker.com;

kwoodson@greenbergglusker.com;

calendar@greenbergglusker.com;

sgaeta@greenbergglusker.com

Lisa.Fenning@aporter.com,

Jean.Kellett@aporter.com

Lisa Hill Fenning

For Side Effects Software, Inc. and S.E. Software, Inc.,

Rockwood Capital, LLC

H Alexander Fisch

afisch@stutman.com

for the Official Committee of Unsecured Creditors

Scott F Gautier

sgautier@peitzmanweg.com

Courtesy NEF

Brian T Harvey

bharvey@buchalter.com,

on behalf of Creditor Oracle America, Inc.

IFS_filing@buchalter.com;rreeder@buchalter.com

Michael C Heinrichs

mheinrichs@omm.com

on behalf of Interested Party JS Communications, Co. Ltd.

Ivan L Kallick

ikallick@manatt.com, ihernandez@manatt.com

Courtesy NEF, Psyop Media Company, LLC

Jeffrey A Krieger

jkrieger@ggfirm.com,

for AWTR Liquidation, Inc.,

kwoodson@greenbergglusker.com;

calendar@greenbergglusker.com;

pporooshani@greenbergglusker.com

mal@msk.com, mec@msk.com

Mary D Lane

Courtesy NEF

Dare Law

dare.law@usdoj.gov

for U.S. Trustee United States Trustee (LA)

C John M Melissinos

jmelissinos@greenbergglusker.com,

for AWTR Liquidation, Inc.,

jreinglass@greenbergglusker.com;

kwoodson@greenbergglusker.com;

calendar@greenbergglusker.com;

sgaeta@greenbergglusker.com

tunt@omnimgt.com

Katie Nownes

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

June 2012

74262-00017/1976311.10

F 9013-3.1.PROOF.SERVICE

EXH A

30

Courtesy NEF
Danielle A Pham
for the Official Committee Of
Unsecured Creditors
Courtney E Pozmantier
for AWTR Liquidation, Inc.,
David M Reeder
Thomas C. Capizzi
Victor A. Sahn
Courtesy NEF

Claire E Shin
for AWTR Liquidation, Inc.,

Lori Sinanyan
for Twentieth Century Fox, Universal City Studios LLC

Alan D Smith
for Wells Fargo Bank, N.A. as Trustee for the registered
holders of J.P. Morgan Chase Commercial Mortgage
Securities Trust 2011-C3, Commercial Mortgage Pass-
Through Certificates, Series 2011-C3
United States Trustee (LA)
for U.S. Trustee
Richard Lee Wynne
for Twentieth Century Fox, Universal City Studios LLC

dpham@stutman.com, daniellepham@gmail.com

cpozmantier@greenbergglusker.com,
sgaeta@greenbergglusker.com
david@reederlaw.com, tuntma@reederlaw.com

vsahn@sulmeyerlaw.com,
agonzalez@sulmeyerlaw.com, asokolowski@sulmeyerlaw.com
cshin@greenbergglusker.com,
jreinglass@greenbergglusker.com;
kwoodson@greenbergglusker.com; calendar@greenbergglusker.com;
sgaeta@greenbergglusker.com
lsinanyan@jonesday.com,
lsinanyan@ecf.inforuptcy.com

adsmith@perkinscoie.com

ustpregion16.la.ecf@usdoj.gov

rlwynne@jonesday.com, sjperry@jonesday.com

FOR CASE NO. 2:13-1p-01209-NB

David E Ahdoot on behalf of Interested Party Courtesy NEF

dahdoot@bushgottlieb.com,
jpalmer@bushgottlieb.com

C John M Melissinos on behalf of Defendant AWTR
Liquidation Inc

jmelissinos@greenbergglusker.com,
jreinglass@greenbergglusker.com;
kwoodson@greenbergglusker.com;
calendar@greenbergglusker.com;
sgaeta@greenbergglusker.com

Danielle A Pham on behalf of Creditor Committee Official
Committee Of Unsecured Creditors

dpham@stutman.com, daniellepham@gmail.com

Courtney E Pozmantier on behalf of Defendant AWTR
Liquidation Inc

cpozmantier@greenbergglusker.com,
kwoodson@greenbergglusker.com;sgaeta@greenbergglusker.com;calendar@greenbergglusker.com

Courtney E Pozmantier on behalf of Interested Party
Courtesy NEF

cpozmantier@greenbergglusker.com,
kwoodson@greenbergglusker.com;sgaeta@greenbergglusker.com;calendar@greenbergglusker.com

David M Reeder on behalf of Plaintiff Thomas C. Capizzi
United States Trustee (LA)

david@reederlaw.com, jessica@reederlaw.com
ustpregion16.la.ecf@usdoj.gov

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

FOR CASE NO. 2:13-ap-01463-NB

| | |
|--|--|
| David E Ahdoot on behalf of Interested Party Courtesy NEF | dahdoot@bushgottlieb.com, jpalmer@bushgottlieb.com |
| C John M Melissinos on behalf of Defendant AWTR Liquidation Inc | jmelissinos@greenbergglusker.com, jreinglass@greenbergglusker.com; kwoodson@greenbergglusker.com; calendar@greenbergglusker.com; sgaeta@greenbergglusker.com |
| Danielle A Pham on behalf of Creditor Committee Official Committee Of Unsecured Creditors | dpham@stutman.com, daniellepham@gmail.com |
| Courtney E Pozmantier on behalf of Defendant AWTR Liquidation Inc | cpozmantier@greenbergglusker.com, kwoodson@greenbergglusker.com; sgaeta@greenbergglusker.com; calendar@greenbergglusker.com |
| David M Reeder on behalf of Plaintiff Thomas C. Capizzi | david@reederlaw.com, jessica@reederlaw.com |
| United States Trustee (LA) | ustpregion16.la.ecf@usdoj.gov |

2. SERVED BY UNITED STATES MAIL:

AWTR Liquidation, Inc.
Attn: John F. Hedge, CRO
c/o Scouler & Company
1801 Century Park East, Suite 2400
Los Angeles, CA 90067

REQUEST FOR NOTICE
ValleyCrest Landscape Maintenance, Inc.
Thomas A. Kuehn, Esq.
24151 Ventura Blvd.
Calabasas, CA 91302

REQUEST FOR NOTICE
The TV Candy Store, Inc.
James Deloye, President
1300 W. Hood Ave. Suite 2
Chicago, IL 60660

Official Committee of Unsecured
Creditors
Gary E. Klausner, Esq.
Stutman Treister & Glatt PC
1901 Avenue of the Stars, 21st Floor
Los Angeles, CA 90067

Counsel for Thomas Capizzi and Anthony Barcelo,
as Putative Class Plaintiffs in Adversary Proceeding
Nos. 2:13-1p-01209-NB and 2:13-ap-01463-NB

David M. Reeder, Esq.
Reeder Law Corporation
1880 Century Park East, Suite 1200
Los Angeles, California 90067

Mary E. Olsen, Esq.
M. Vance McCrary, Esq.
David C. Tufts, Esq.
The Gardner Firm, P.C.
210 South Washington Avenue
Mobile, Alabama 36602

Stuart J. Miller, Esq.
Lankenau & Miller, LLP
132 Nassau Street, Suite 423
New York, New York 10038

Jack A. Raisner, Esq.
René S. Roupinian, Esq.
Outten & Golden LLP
3 Park Avenue, 29th Floor
New York, New York 10016

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

EXHIBIT “B”

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
LOS ANGELES DIVISION

In re:
AWTR Liquidation, Inc.,
f/k/a Rhythm And Hues, Inc.,
Debtor and Debtor in Possession.

Case No.: 2:13-bk-13775-NB

Chapter 11

Adv. No.: 2:13-ap-01209-NB

Final Fairness Hearing

Date:

Time:

Place: Courtroom 1545

255 E. Temple Street

Los Angeles, CA 90012

THOMAS C. CAPIZZI and ANTHONY
BARCELO, on their own behalf and on behalf of all
other persons similarly situated,

Plaintiffs,

v.

AWTR LIQUIDATION, INC.,
f/k/a Rhythm And Hues, Inc.,

Defendant.

**NOTICE TO CLASS OF (A) PROPOSED SETTLEMENT OF CLASS ACTION CONCERNING WARN
ACT CLAIMS, (B) AWARD OF ATTORNEYS' FEES TO CLASS COUNSEL, (C) DATE OF COURT
HEARING FOR FINAL APPROVAL OF PROPOSED SETTLEMENT AND AWARD OF ATTORNEYS'
FEES, AND (D) RIGHT TO OPT OUT OF THE CLASS OR OBJECT TO THE SETTLEMENT AND
CLASS COUNSEL'S REQUEST FOR ATTORNEYS' FEES, AND TO APPEAR AT COURT HEARING**

Objection Deadline:

Opt-out Deadline:

TO: All former employees of Debtor and Debtor in Possession AWTR Liquidation, Inc., f/k/a Rhythm And Hues, Inc. (the "Debtor") who worked at or reported to the facility located at 2100 East Grand Avenue, El Segundo, CA 90245 and were terminated without cause on or about February 10, 2013, and who are affected employees, within the meaning of the federal and California WARN Acts, *i.e.*, the Terminated Employees.

Introduction

1. There is currently pending in the United States Bankruptcy Court for the Central District of California, Los Angeles Division, the above captioned class action adversary proceeding entitled *Thomas C. Capizzi and Anthony Barcelo, on behalf of themselves and all persons similarly situated v. AWTR Liquidation, Inc.*; Adv. No. 2:13-ap-01209-NB (referred to herein as “Capizzi I” or the “WARN Action”) brought under the Worker Adjustment and Retraining Notification Act, 29 U.S.C. §§ 2101 *et seq.*, and its California counterpart, California Labor Code §§ 1400 *et seq.* (collectively, the “WARN Acts”). As a consequence of Debtor’s alleged failure to give the Plaintiffs and Terminated Employees at least 60 days’ advance written notice of termination, the Plaintiffs in Capizzi I seek up to 60 days’ pay and benefits for each Terminated Employee for the Debtor’s alleged violation of the WARN Acts. The Plaintiffs, listed above, along with the Debtor and Official Committee of Unsecured Creditors (the “Committee”) have reached a proposed Stipulation of Class Settlement (“Settlement”) to settle Capizzi I under which benefits described below will be provided to the members of the Capizzi I Class.

2. The Debtor is in the process of liquidation. On _____, 2013 Debtor and the Committee filed the Joint Chapter 11 Plan of Liquidation (“Plan”) in this bankruptcy case.

3. This Notice constitutes notice to the Capizzi I Class of (a) the proposed Settlement of the Capizzi I Class claims, (b) the request of Class Counsel for the award of attorneys’ fees of one-third (1/3) the WARN Act Common Fund, minus the service payments to the Class Representatives, plus costs and litigation expenses, (c) the date of the Court hearing for final approval of proposed Settlement and award of attorneys’ fees, plus costs and litigation expenses and (d) the right of each Terminated Employee to opt out of the Capizzi I Class or, if they do not opt out, to object to or comment on, the Settlement and Class Counsel’s request for attorneys’ fees plus costs and litigation expenses and to appear at the hearing at which the Court will consider the final approval of the Settlement and Class Counsel’s request for attorneys’ fees plus costs and litigation expenses.

Description of the Class Litigation

4. Following the filing of the Debtor’s voluntary petition under chapter 11 of the U.S. Bankruptcy Code, Plaintiffs filed with the Bankruptcy Court a class-action complaint (the “Complaint”), commencing Capizzi I against the Debtor alleging that the Debtor violated the WARN Acts by ordering the mass layoff on or about February 10, 2013, and thereafter, without providing sixty days of advance notice thereof, and that in consequence of this failure, the affected employees have an administrative expense claim pursuant to § 503(b)(1)(A) of the Bankruptcy Code against the Debtor consisting of their total wages and benefits for the sixty day violation period.

5. The Debtor and the Committee have asserted various defenses to the purported claims asserted in Capizzi I and have raised the following issues, among others: (a) whether the Debtor provided notice to the Plaintiffs or the other members of the Capizzi I Class; (b) whether any such notice, if provided, was adequate and in compliance with the pertinent regulations; (c) whether such notice was defective; (d) whether the Debtor was entitled to give less than 60 days notice because of the faltering company exception contained in the WARN Acts; (e) whether the Debtor was required to give any notice under the WARN Act to employees hired for specific projects that ended on or about February 10, 2013; (f) whether the Debtor has other defenses to the application of the WARN Act; (g) whether the Debtor-Defendants gave “as much notice as is practicable;” (h) whether a mass layoff or plant shutdown occurred, as those terms are defined in the WARN Acts; (i) the computation of the amount of damages; and (j) whether the damages are entitled to treatment as administrative expenses under § 503(b)(1)(A) or wage or benefit priority under §§ 507(a)(4) or (5), respectively.

6. The Settlement resolves the Capizzi I Class Claims, as well as class claims under *Thomas C. Capizzi on behalf of himself and all persons similarly situated v. AWTR Liquidation, Inc.*; Adv. No. 2:13-ap-01463-NB (referred to herein as “Capizzi II” or the “Wage Action”) which seeks the recovery of earned compensation that the Terminated Employees were owed upon their terminations and wage continuation for each day that the wages remained unpaid (up to thirty additional days) pursuant to California Labor Code §§ 201 and 203 (Labor Code §§ 201 and 203). Essentially, the Settlement calls for two identical classes to be certified, i.e., Capizzi I Class and Capizzi II Class (collectively, the “Settlement Classes”). The terms of the Settlement relating to Capizzi

1 II have been summarized in a separate notice mailed to each member of the Capizzi II Class (again, the Capizzi II
2 Class is identical to the Capizzi I Class). This notice is intended for the Capizzi I Class Members, who will also
3 receive the notice directed to Capizzi II Class Members. The parties have identified 238 persons who constitute,
4 based on the Debtor's records, all the individuals that are currently within the Capizzi I Class definition. Employees
5 who are subsequently determined to have been terminated on the same dates as the Capizzi I Class Members listed
6 on Exhibit A hereto shall be referred to as "Additional Settlement Class Members."

7
8 7. Class Counsel (defined below) has conducted informal discovery and has analyzed the
9 applicable law and weighed the likelihood of success.

10 **The Proposed Settlement**

11 8. The following description of the proposed Settlement is only a summary. In the event of
12 any difference between this summary and the terms of the Settlement, the terms of the Settlement shall control. You
13 may secure a copy of the complete Settlement from Class Counsel Mary E. Olsen at the address shown below. The
14 terms of the Settlement relevant to the Eligible Class Members may be summarized as follows:

15 **The Terms of the Settlement**

16 9. In full settlement of the claims of the Capizzi I Class for alleged violations of the WARN
17 Acts, the Debtor shall, upon the effective date of the Plan, transmit One Million (\$1,000,000.00) Dollars (the "the
18 WARN Act Common Fund") to Class Counsel. The WARN Act Common Fund shall then be distributed by Class
19 Counsel as follows: (i) the sum of \$10,000 to each of the two Class Representatives for their Service Fees, and (ii)
20 the balance of \$980,000, minus one-third attorney fees, plus reimbursement of court costs and litigation expenses, or
21 as shall be further approved by the Court after notice provided to the Capizzi I Class, shall be divided among the
22 Capizzi I Class members who do not opt-out of this settlement on a *pro rata* basis according to the gross settlement
23 claim amounts for the Capizzi I Class members, which were based on the Debtor's books and records. The
24 distributions contemplated herein shall be mailed by Class Counsel to the Class Representatives and the Capizzi I
25 Class members at their last known address indicated in Debtor's books and records (or to such other address as the
26 members of the Capizzi I Class may indicate to Class Counsel or which Class Counsel may locate), along with an
27 IRS Form 1099.

28 10. For purposes of the Settlement only, Thomas C. Capizzi and Anthony Barcelo would be
appointed as class representatives ("Class Representatives") and the law firms of Lankenau & Miller, The Gardner
Firm, P.C., Outten & Golden LLP and Reeder Law Corporation would be designated as Class Counsel for the
Capizzi I.

11 11. The Settlement shall not become effective if the Court does not approve it.

12 12. If settlement checks issued to Capizzi I Class Members remain unclaimed (either because
13 of inability to locate Class members or because settlement checks are not cashed), any such funds shall be (i) first,
14 used to make pro rata distributions to Additional Settlement Class Members, if any, that may be identified as
15 contemplated under the Settlement and (ii) if any Residual Funds remain after Settlement Fund disbursements to
16 Additional Settlement Class Members, then paid by Class Counsel to the bankruptcy estate for distribution under the
17 Plan.

18 13. The total amount of your projected recovery under the Settlement is shown on Exhibit
19 "A" annexed hereto.

20 **Class Counsel's Recommendation**

21 14. Class Counsel recommends the Settlement, believing that it is fair, reasonable and
22 adequate to the Class.

Class Counsel's Fees Plus Reimbursement of Court Costs and Litigation Expenses

15. Under the proposed Settlement and subject to final court approval, Class Counsel shall be paid attorneys' fees of one third of the total amount due each Capizzi I Class Member, plus reimbursement of court costs and litigation expenses.

16. You may object to the request of Class Counsel for attorneys' fees and court costs and litigation expenses by filing an objection within the time and in the manner specified below.

**Release of Claims and
Effect of Approval of Settlement**

17. The Settlement, and the payments described herein and in the Capizzi II Class Notice, will result in the dismissal of the Capizzi I and Capizzi II Class Claims on the merits and with prejudice to all Capizzi I and Capizzi II Class Members and shall result in the following releases of claims: Capizzi I Class Members will have fully released their claims under the WARN Acts and Capizzi II Class Members will have fully released their wage and Wage Penalty Claims in exchange for an allowed pre-petition priority wage claim (plus a non-priority claim if any amounts exceed the statutory cap), calculated based upon all pre-petition wages and benefits owed according to the Debtor's books and records. Specifically, upon (A) the effective date of the Plan; and (B) distribution of the WARN Act Common Fund to the Class Counsel¹ pursuant to the terms of the Settlement Stipulation, the Capizzi I and Capizzi II Class Members shall have fully and forever released and discharged the Debtor, its estate, and its current and former officers and directors, parents, subsidiaries and otherwise affiliated entities, and their respective current, former and interim officers, directors, shareholders, agents, employees, partners, members, accountants, attorneys, representatives and other agents, and all of their respective predecessors, successors and assigns, and the Committee, each of its members, and each of their respective current and former officers and directors, parents, subsidiaries and otherwise affiliated entities, and their respective current, former and interim officers, directors, shareholders, agents, employees, partners, members, accountants, attorneys, representatives and other agents, and all of their respective predecessors, successors and assigns (collectively, the "Released Parties"), of and from any and all claims arising from or related to those claims asserted in Capizzi I and Capizzi II by the Class Representatives on behalf of the Releasing Parties, including the claims under the WARN Acts and claims for violations of Sections 201 and 203 of the California Labor Code, including claims for expenses, interest and attorney's fees and costs against any of the Released Parties.

How to Object or Opt-out

18. If you are satisfied with the proposed Settlement including Class Counsel's requested fees/costs and the calculation of your recovery as shown on Exhibit "A", you need to do nothing and you will receive your share of the settlement, net of attorneys' fees/costs.

19. If, on the other hand, you believe that the proposed settlement is unfair or inadequate, or that Class Counsel's request for attorneys' fees/costs should not be approved, you may object to the Settlement by mailing certified mail, return receipt requested a detailed written statement bearing the caption of this action shown above on the first page stating your comment or objection, to the Clerk of the United States Bankruptcy Court for the Central District of California, Los Angeles Division, _____, and by sending copies of that statement, also by certified mail, return receipt requested, to 1) LANKENAU & MILLER LLP, 132 Nassau Street, Suite 423, New York, New York 10038, Attention: Stuart J. Miller, Esq.; 2) THE GARDNER LAW FIRM, P.C., 210 S. Washington Ave., Mobile, Alabama 36602, Attention: Mary E. Olsen, Esq.; 3) OUTTEN & GOLDEN LLP, 3 Park Avenue, 29th Floor, New York, NY 10016, Attention: René S. Roupinian, Esq.; 4) REEDER LAW CORPORATION, 1880 Century Park East, Suite 1200, Los Angeles, CA 90067, Attention: David Reeder; 5) _____ Attention: _____, Esq.; and 6) _____ Attention: _____, Esq. **Objections**

¹ As part of the resolution of the Capizzi II Class Claims, the Settlement addresses treatment of Allowed Priority Wage/Benefit Claims and Allowed Unsecured Wage/Benefit Claims. Distributions on account of the Allowed General Unsecured Wage Claims shall be made pursuant to the terms of the Plan, but are not conditions to the releases described in this paragraph.

1 must be received by each of the above no later than _____, 2013, and must include the caption of the
2 action and your name, address, and telephone number together with a detailed statement of the basis for your
3 objection and whether you wish to be heard personally or by counsel at the final hearing at which the parties
4 will be requesting binding Court approval of the Settlement, as described above.

5 20. You may also appear in person or by counsel at the final hearing described below.

6 21. If you choose not to be bound by this Settlement and do not wish to share in any of the
7 benefits described herein, you may opt-out of the Capizzi I Class by filling out the attached "Opt-Out Form", and
8 sign and mail that form by certified mail, return receipt requested, to: 1) THE GARDNER LAW FIRM, P.C., 210 S.
9 Washington Ave.; Mobile, Alabama 36602, Attention: Mary E. Olsen, Esq.; 2) GREENBERG GLUSKER
10 FIELDS CLAMAN & MACHTINGER LLP, 1900 Avenue of the Stars, 21st Floor, Los Angeles, CA 90067
11 Attention: Olivia Goodkin, Esq.; and 3) STUTMAN TREISTER & GLATT, 1901 Avenue of the Stars, 12th Floor,
12 Los Angeles, CA 90067 Attention: Gary E. Klausner, Esq. The form must be received by the foregoing by no later
13 than _____, 2013. All requests for exclusion received after that date will not be effective, and any person who
14 sends a late request will be a member of the Capizzi I Class.

15 Final Hearing to Approve Settlement and Award Attorneys' Fees/Costs

16 22. The hearing for final consideration and approval of the Settlement is scheduled to take
17 place on _____, at _____ a.m./p.m.. in Courtroom ____ of the United States Bankruptcy Court for the
18 Central District of California Los Angeles Division at _____ [address]. That hearing may be
19 adjourned without further notice. If you wish to determine if the hearing is adjourned, you may contact Ms. Olsen at
20 the address shown above.

21 Other Information

22 23. Any questions from members of the Class concerning this Notice or the Capizzi I or
23 Capizzi II litigation should be directed to THE GARDNER LAW FIRM, P.C., 210 S. Washington Ave.; Mobile,
24 Alabama 36602, Attention: Mary E. Olsen, Esq. All requests for more information, including a copy of the
25 Settlement, should be sent by first-class mail to Ms. Olsen to the address indicated above.

26 24. While the Court has approved the sending of this Notice, that does not indicate, and is not
27 intended to indicate, that the Court has any opinion as to the Capizzi I Class Claims or the defenses asserted to those
28 claims.

29 **Please do not write to or call the Court concerning this matter.**

OPT-OUT FORM

Thomas C. Capizzi and Anthony Barcelo, on behalf of themselves and all persons similarly situated v. AWTR Liquidation, Inc.; Adv. No. 2:13-ap-01209-NB (referred to herein as "Capizzi I" or the "WARN Action")

I, the undersigned, have read the foregoing Class Notice and understand its contents.

I do not want to participate in the above Class Action and do not wish to receive any benefits from or be bound by the Settlement described herein.

Signature

Address

Name (printed or typed)

Date

Telephone

LA:224619.2

EXHIBIT “C”

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
LOS ANGELES DIVISION

In re:
AWTR Liquidation, Inc.,
f/k/a Rhythm And Hues, Inc.,
Debtor and Debtor in Possession.

Case No.: 2:13-bk-13775-NB

Chapter 11

Adv. No.: 2:13-ap-01463-NB

Notice of Class Settlement

Final Fairness Hearing

Date:

Time:

Place: Courtroom 1545
255 E. Temple Street
Los Angeles, CA 90012

THOMAS C. CAPIZZI, on his own behalf and on
behalf of all other persons similarly situated,

Plaintiff,

v.

AWTR LIQUIDATION, INC.,
f/k/a Rhythm And Hues, Inc.,

Defendant.

**NOTICE TO CLASS OF (A) PROPOSED SETTLEMENT OF WAGE AND WAGE PENALTY CLASS
ACTION; (B) DATE OF COURT HEARING FOR FINAL APPROVAL OF PROPOSED SETTLEMENT;
(C) RIGHT TO OBJECT TO THE SETTLEMENT AND TO APPEAR AT COURT HEARING AND (D)
RIGHT OF CLASS MEMBERS TO OPT-OUT OF THE CLASS ACTION**

Objection Deadline:

Opt-out Deadline:

TO: All former employees of Debtor and Debtor in Possession AWTR Liquidation, Inc., f/k/a Rhythm And Hues, Inc. (the "Debtor") who worked at or reported to the facility located at 2100 East Grand Avenue, El Segundo, CA 90245 and were terminated on or about February 10 or 11, 2013, ("Terminated Employees") who were not paid their earned compensation upon discharge and whose earned compensation remained unpaid after they were terminated for one or more days, and who do not file a timely request to opt-out of the class.

Introduction

1. There is currently pending in the United States Bankruptcy Court for the Central District of California, Los Angeles Division, the above captioned class action adversary proceeding entitled *Thomas C. Capizzi on behalf of himself and all persons similarly situated v. AWTR Liquidation, Inc.*; Adv. No. 2:13-ap-01463-NB (referred to herein as "Capizzi II" or the "Wage Action") which seeks the recovery of earned compensation that

1 the Terminated Employees were owed upon their terminations and wage continuation for each day that the wages
2 remained unpaid (up to thirty additional days) pursuant to California Labor Code §§ 201 and 203 (Labor Code §§
3 201 and 203) (the “Capizzi II Class Claims”). The parties to this matter have reached a proposed stipulation to settle
4 the Capizzi II Class Claims (the “Settlement”) under which benefits described below will be provided to the
5 members of the Capizzi II Class.

6 2. The Debtor is in the process of liquidation. On _____, 2013 Debtor and the Official
7 Committee of Unsecured Creditors (the “Committee”) filed the Joint Chapter 11 Plan of Liquidation (“Plan”) in this
8 bankruptcy case.

9 3. This Notice constitutes notice to the Capizzi II Class of (a) the proposed Settlement of the
10 Capizzi II Class Claims; (b) date of court hearing for final approval of proposed settlement; (c) the right of each
11 member of the Capizzi II Class to object to or comment on, the Settlement and to appear at the hearing at which the
12 Court will consider the final approval of the Settlement; and (d) the right of each Capizzi II Class Member to opt out
13 of the Capizzi II Class Action.

14 Description of the Class Litigation

15 4. Capizzi II asserts claims for unpaid earned compensation that the Terminated Employees
16 were owed upon their terminations and wage continuation for each day that the wages remained unpaid (up to thirty
17 additional days) pursuant to California Labor Code §§ 201 and 203 (Labor Code §§ 201 and 203).

18 5. The Debtor and Committee have asserted various defenses to the purported claims in
19 Capizzi II, including whether the Terminated are entitled to any Wage Penalties and whether such action should be
20 certified as a class action.

21 6. Recognizing the importance of resolving this matter, the parties have agreed to a
22 settlement.

23 7. The Settlement resolves the Capizzi II Class Claims, as well as class claims under the
24 federal Worker Adjustment and Retraining Notification Act [29 U.S.C. Section 2101 et seq.] and its California
25 counterpart [California Labor Code Section 1400 et. seq.] (collectively, the “WARN Acts”) for the same Terminated
26 Employees. The class action asserting claims against the Debtor under the WARN Acts is entitled *Thomas C.*
27 *Capizzi and Anthony Barcelo, on behalf of themselves and all persons similarly situated v. AWTR Liquidation, Inc.*;
28 Adv. No. 2:13-ap-01209-NB (referred to herein as “Capizzi I” or the “WARN Action”). Essentially, the Settlement
calls for two identical classes to be certified, i.e., Capizzi I Class and Capizzi II Class (collectively, the “Settlement
Classes”). The terms of the Settlement relating to the WARN Action have been summarized in a separate notice
mailed to each member of the Capizzi I Class (again, the Capizzi I Class is identical to the Capizzi II Class). This
notice is intended for the Capizzi II Class Members, who will also receive the notice directed to Capizzi I Class
Members.

29 The Proposed Settlement

30 8. In summary, the Settlement with respect to the Capizzi II Class calls for certification of a
31 class, for settlement purposes only, consisting of: all former employees of Debtor who worked at or reported to the
32 facility located at 2100 East Grand Avenue, El Segundo, CA 90245 and were terminated on or about February 10 or
33 11, 2013 who were not paid their earned compensation upon discharge and whose earned compensation remained
34 unpaid after they were terminated for one or more days, and who do not file a timely request to opt-out of the class
35 numbering 238, who, in exchange for a full release of their Capizzi II Claims, will receive an allowed priority
36 wage/benefit claim and, where applicable, an allowed unsecured wage/benefit claim calculated based upon all pre-
37 petition wages and benefits owed according to the Debtor’s books and records.

38 9. For purposes of the Settlement only, Thomas C. Capizzi and Anthony Barcelo would be
appointed as class representatives (“Class Representatives”) and the law firms of Lankenau & Miller, The Gardner

1 Firm, P.C., Outten & Golden LLP and Reeder Law Corporation would be designated as Class Counsel for the
2 Capizzi II Class ("Class Counsel").

3 10. The Allowed Priority Wage/Benefit Claims will be paid in full on, or as soon as
4 reasonably practicable after, the Effective Date, in accordance with the Plan, once confirmed. Further, the Allowed
5 Unsecured Wage/Benefit Claims shall be paid in accordance with the Plan. For avoidance of doubt, no attorney's
6 fees will be deducted from the payments to be made on account of the Allowed Priority Wage/Benefit Claims and
7 the Allowed Unsecured Wage/Benefit Claims to the Capizzi II Class Members.

8 11. You may secure a copy of the complete Settlement from Class Counsel Mary E. Olsen at
9 the address shown below.

10 12. The Settlement shall not become effective if the Court does not approve it.

11 13. The total amount of your Allowed Priority Wage/Benefit Claim and any Unsecured
12 Wage/Benefit Claim is shown on Exhibit "A" annexed hereto.

13 **Class Counsel's Recommendation**

14 14. Class Counsel recommends the Settlement, believing that it is fair, reasonable and
15 adequate to the Class.

16 **Class Counsel's Fees**

17 15. No attorneys' fees, costs and litigation expenses shall be paid to Class Counsel on
18 account of the Capizzi II Wage Action settlement. No service payments to the Class Representatives shall be paid
19 on account of the Capizzi II settlement. Terminated Employees who participate in Capizzi I and II, therefore: (1)
20 will receive their Allowed Wage Claims without deductions and hence pay no attorneys' fees, costs, expenses or
21 Class Representative payments in the Wage Action, and (2) in addition, will receive their WARN Act amounts less
22 attorneys' fees, costs and expenses, and Class Representative payments, in the WARN Action.

23 **Release of Claims and** 24 **Effect of Approval of Settlement Agreement**

25 16. The Settlement, and the payments described herein and in the Capizzi I Class Notice,
26 will result in the dismissal of the Capizzi I and Capizzi II Class Claims on the merits and with prejudice to all
27 Capizzi I and Capizzi II Class Members and shall result in the following releases of claims: Capizzi I Class
28 Members will have fully released their claims under the WARN Acts and Capizzi II Class Members will have fully
released their wage and Wage Penalty Claims in exchange for an allowed pre-petition priority wage claim (plus a
non-priority claim if any amounts exceed the statutory cap), calculated based upon all pre-petition wages and
benefits owed according to the Debtor's books and records. Specifically, upon (A) the effective date of the Plan:
and (B) distribution of the WARN Act Common Fund to Class Counsel¹ pursuant to the terms of the Settlement
Stipulation, the Capizzi I and Capizzi II Class Members shall have fully and forever released and discharged the
Debtor, its estate, and its current and former officers and directors, parents, subsidiaries and otherwise affiliated
entities, and their respective current, former and interim officers, directors, shareholders, agents, employees,
partners, members, accountants, attorneys, representatives and other agents, and all of their respective predecessors,
successors and assigns, and the Committee, each of its members, and each of their respective current and former
officers and directors, parents, subsidiaries and otherwise affiliated entities, and their respective current, former and
interim officers, directors, shareholders, agents, employees, partners, members, accountants, attorneys,

¹ As part of the resolution of the Capizzi II Class Claims, the Settlement addresses treatment of Allowed Priority Wage/Benefit
Claims and Allowed Unsecured Wage/Benefit Claims. Distributions on account of the Allowed General Unsecured Wage
Claims shall be made pursuant to the terms of the Plan, but are not conditions to the releases described in this paragraph.

representatives and other agents, and all of their respective predecessors, successors and assigns (collectively, the “Released Parties”), of and from any and all claims arising from or related to those claims asserted in Capizzi I and Capizzi II by the Class Representatives on behalf of the Releasing Parties, including the claims under the WARN Acts and claims for violations of Sections 201 and 203 of the California Labor Code, including claims for expenses, interest and attorney’s fees and costs against any of the Released Parties.

How to Object or Opt-out

17. If you are satisfied with the proposed settlement of Capizzi II and the amount(s) shown on Exhibit “A”, you need to do nothing and you will receive payment in accordance with the Settlement.

18. If, on the other hand, you believe that the proposed settlement is unfair or inadequate, you may object to the Settlement by mailing certified mail, return receipt requested a detailed written statement bearing the caption of this action shown above on the first page stating your comment or objection, to the Clerk of the United States Bankruptcy Court for the Central District of California, Los Angeles Division, _____, and by sending copies of that statement, also by certified mail, return receipt requested, to 1) LANKENAU & MILLER LLP, 132 Nassau Street, Suite 423, New York, New York 10038, Attention: Stuart J. Miller, Esq.; 2) THE GARDNER LAW FIRM, P.C., 210 S. Washington Ave.; Mobile, Alabama 36602, Attention: Mary E. Olsen, Esq.; 3) OUTTEN & GOLDEN LLP, 3 Park Avenue, 29th Floor, New York, NY 10016, Attention: René S. Roupinian, Esq.; 4) REEDER LAW CORPORATION, 1880 Century Park East, Suite 1200, Los Angeles, CA 90067, Attention: David Reeder; 5) _____ Attention: _____, Esq.; and 6) _____ Attention: _____, Esq. **Objections must be received by each of the above no later than _____, 2013, and must include the caption of the action and your name, address, and telephone number together with a detailed statement of the basis for your objection and whether you wish to be heard personally or by counsel at the final hearing at which the parties will be requesting binding Court approval of the Settlement, as described above.**

19. You may also appear in person or by counsel at the final hearing described below.

20. If you choose not to be bound by this Settlement and do not wish to share in any of the benefits described herein, you may opt-out of the Capizzi II Class by filling out the attached “Opt-Out Form”, and sign and mail that form by certified mail, return receipt requested, to: 1) THE GARDNER LAW FIRM, P.C., 210 S. Washington Ave.; Mobile, Alabama 36602, Attention: Mary E. Olsen, Esq.; 2) GREENBERG GLUSKER FIELDS CLAMAN & MACHTINGER LLP, 1900 Avenue of the Stars, 21st Floor, Los Angeles, CA 90067. Attention: Olivia Goodkin, Esq.; and 3) STUTMAN TREISTER & GLATT, 1901 Avenue of the Stars, 12th Floor, Los Angeles, CA 90067 Attention: Gary E. Klausner, Esq. The form must be received by the foregoing by no later than _____, 2013. All requests for exclusion received after that date will not be effective, and any person who sends a late request will be a member of the Capizzi II Class.

Final Hearing to Approve Settlement

21. The hearing for final consideration and approval of the Settlement is scheduled to take place on _____, at _____ a.m./p.m.. in Courtroom ____ of the United States Bankruptcy Court for the Central District of California Los Angeles Division at _____ [address]. That hearing may be adjourned without further notice. If you wish to determine if the hearing is adjourned, you may contact Ms. Olsen at the address shown above.

Other Information

22. Any questions from members of the Class concerning this Notice or the Capizzi I or Capizzi II litigation should be directed to THE GARDNER LAW FIRM, P.C., 210 S. Washington Ave.; Mobile, Alabama 36602, Attention: Mary E. Olsen, Esq. All requests for more information, including a copy of the Settlement, should be sent by first-class mail to Ms. Olsen to the address indicated above.

23. While the Court has approved the sending of this Notice, that does not indicate, and is not intended to indicate, that the Court has any opinion as to the Capizzi II Class Claims or the defenses asserted to those claims.

Please do not write to or call the Court concerning this matter.

OPT-OUT FORM

Thomas C. Capizzi on behalf of himself and all persons similarly situated v. AWTR Liquidation, Inc.; Adv. No. 2:13-ap-01463-NB (referred to herein as “Capizzi II” or the “Wage Action”)

I, the undersigned, have read the foregoing Class Notice and understand its contents.

I do not want to participate in the above Class Action and do not wish to receive any benefits from or be bound by the Settlement described herein.

Signature

Address

Name (printed or typed)

Date

Telephone

DECLARATION OF THOMAS C. CAPIZZI

I, Thomas C. Capizzi, hereby declare as follows:

1. I am over the age of eighteen years and am a resident of Los Angeles County, California. I have personal knowledge of the facts attested to in this declaration and, if called upon to do so, could and would competently testify thereto.

2. I reside at 4143 Muirfield Road; Apt. B, Los Angeles, California 90008.

Capizzi I

3. I am a named Plaintiff in the class action adversary proceeding pending in the United States Bankruptcy Court for the Central District of California, Los Angeles Division entitled Thomas C. Capizzi and Anthony Barcello vs. AWTR Liquidation, Inc., f/k/a Rhythm And Hues, Inc., Adv. No. 2:13-ap-01209-NB ("Capizzi I"). In Capizzi I, class plaintiffs seek to, on behalf of the class, recover up to 60 days' pay and benefits against the Defendant under the Worker Adjustment and Retraining Notification Act of 1988 ("WARN Act") (29 U.S.C. §§ 210 I -2109) and its California counterpart California Labor Code §§ 1400 -1408 (collectively, the "WARN Act").

4. I submit this declaration in support of Plaintiffs' Joint Motion Of Debtor, Committee And Proposed Class Representatives, In Accordance With Proposed Stipulation Of Class Settlement: (A) To Approve Proposed Compromise Of Claims In Adversary Proceedings; And (B) In Accordance With Fed. R. Bankr. P. 7023, To (i) Preliminarily Approve Settlement Between The Debtor And Certain Former Employees, (ii) Approve The Form And Manner Of Notice Of The Settlement, (iii) Schedule Fairness Hearing To Consider Final Approval Of Settlement And (iv) Subsequent To The Fairness Hearing, Finally Approve The Settlement (the "Joint Motion").

5. From approximately January 6, 1997 until February 10, 2013, I was employed as a lead writer and look development artist at the Facility. For this work, I was paid \$62.25 an hour by Defendant for about 40 hours per week. I also participated in the Defendant's comprehensive health insurance plan.

6. I first learned that I would be terminated on Sunday, February 10, 2013. On

1 that day, I was called and told I was terminated and should not report to work again. Days
2 later, I received a letter in the mail from the Defendant confirming that I had been terminated.

3 7. Immediately prior to my termination, I believe that close to seven hundred
4 individuals worked at or reported to the Facility. On or about February 10, 2013 or within 30
5 days of that date, or thereafter, approximately 254 employees who worked at or reported to
6 the Facility, including myself, were terminated as a result of the mass layoff that occurred at
7 the Facility on or about February 10, 2013. I believe that my termination and that of the others
8 terminated from the Facility on or about February 10, 2013, within 30 days of that date, or
9 thereafter constituted a mass layoff under the WARN Act for which we were entitled to 60
10 days' advance written notice.

11 8. Prior to February 10, 2013, I did not receive any written notice from Defendant
12 indicating that there would be a mass layoff at the Facility on or about February 10, 2013. To
13 the best of my knowledge, prior to February 10, 2013, none of the other former employees
14 who were also terminated as part of the February 10, 2013 mass layoff received any written
15 notice indicating that there would be a mass layoff at the Facility on or about February 10,
16 2013. Prior to February 10, 2013, I did not receive any written notice from Defendant
17 indicating that I would be terminated on or about February 10, 2013. To the best of my
18 knowledge, prior to February 10, 2013, none of the other employees who were also
19 terminated as part of the February 10, 2013 mass layoff received any written notice indicating
20 that they would be terminated on or about February 10, 2013. I have not received nor, to the
21 best of my knowledge, have any of the other individuals terminated as part of the February
22 10, 2013 mass layoff, or thereafter as the foreseeable result of the February 10, 2013 mass
23 layoff, received any payments from Defendant under the WARN Act.

24 9. I believe that my WARN rights, as well as the WARN rights of the other
25 employees terminated as part of the February 10, 2013 mass layoff, or thereafter as the
26 foreseeable result of the February 10, 2013 mass layoff, were violated. Because the
27 circumstances of my termination are the same as those of the other individuals terminated as
28 part of the February 10, 2013 mass layoff, or thereafter as the foreseeable result of the

1 February 10, 2013 mass layoff, the factual and legal issues bearing on my WARN claim and
2 the WARN claims of the other class members (except for damages) are the same, but have no
3 conflict of interest with any former employee terminated as part of the February 10,2013 mass
4 layoff, or thereafter as the foreseeable result of the February 10, 2013 mass layoff.

5 10. Following my termination, I retained counsel to assert a WARN Act claim on
6 my behalf as well as a class claim on behalf of the other employees who were terminated as
7 part of the February 10, 2013 mass layoff, or thereafter as the foreseeable result of the
8 February 10,2013 mass layoff.

9
10 11. I have prosecuted Capizzi I on behalf of the other former employees who were
11 terminated as part of the February 10, 2013, mass layoff, or thereafter as the foreseeable result
12 of the February 10,2013 mass layoff. I have actively assisted Lankenau & Miller, LLP, The
13 Gardner Firm, P.C., Outten & Golden, LLP and David Reeder in the prosecution of this
14 action.

15 12. My claim against the Defendant under the WARN Act equals approximately
16 \$21,165, not including benefits. The small size of my claim, my financial situation and the
17 cost of attorney's fees leave me unable to pursue this claim as a sole litigant. I believe that the
18 other former employees who were terminated as part of the February 10, 2013 mass layoff,
19 are similarly situated and unable to prosecute their claims under the WARN Act except
20 through a class action.

21 13. Lankenau & Miller, LLP, The Gardner Firm, P.C. and Outten & Golden, LLP,
22 specialize in WARN Act litigation and, along with Reeder Law Corporation, have been
23 vigorously prosecuting this action. I believe they are all well-qualified to serve as class
24 counsel.

25 **Capizzi II**

26 14. In addition to being the named plaintiff in Capizzi I, I am the sole named
27 plaintiff in the adversary proceeding pending before United States Bankruptcy Court for the
28

Central District of California, Los Angeles Division entitled Thomas C. Capizzi vs. AWTR Liquidation, Inc., f/k/a Rhythm And Hues, Inc., Adv. No. 2:13-ap-01463-NB ("Capizzi II").

15. At the time of my discharge, I had not been paid for approximately one month of time worked, plus I had accumulated earned vacation and sabbatical leave. Upon my termination I was not paid my wages and other compensation, as required California Labor Code § 201. My unpaid wages and other compensation totaled approximately \$73,945 upon my termination. To the best of my knowledge and belief, the other Class Members (numbering approximately 253) were also not paid wages and other compensation, as required California Labor Code § 201. Further, as of today's date, more than three months since my termination, I have still not been paid my earned compensation. To the best of my knowledge and belief, the other Class Members have still not been paid for their earned compensation. As a consequence, I, along with the other Class Members are due our unpaid earned compensation plus continued wages for up to thirty days, pursuant to California Labor Code §§ 201 and 203.

16. I believe that my rights under California Labor Code § 201 , and the rights of the other Class Members, have been violated. Further I believe I, along with the other Class Members are due continued wages for up to thirty days, pursuant to California Labor Code §§ 201 and 203. Because the circumstances of my termination are the same as those of the other individuals terminated as part of the February 10, 2013 mass layoff, the factual and legal issues bearing on my claim under California Labor Code §§ 201 and 203 and the claims of the other Class Members under California Labor Code §§ 201 and 203, are the same, except for the dollar amounts of our claims. I have no conflict of interest with any former employee terminated on or about February 10, 2013.

17. Following my termination, I retained counsel to assert a claim pursuant to California Labor Code §§ 201 and 203 on my behalf as well as a class claim on behalf of the other Class Members.

1 18. I have actively assisted and will continue to actively assist Lankenau & Miller,
2 LLP, The Gardner Firm, P.C., Outten & Golden, LLP and David Reeder in the prosecution of
3 Capizzi II.

4 19. My claim against the Defendant under California Labor Code §§ 201 and 203
5 equals approximately \$88,885, not including interest. My financial situation and the cost of
6 attorney's fees leave me unable to pursue this claim as a sole litigant. I believe that the other
7 former employees who were terminated as part of the February 10, 2013 mass layoff, are
8 similarly situated and unable to prosecute their claims under California Labor Code §§ 201
9 and 203 except through a class action.

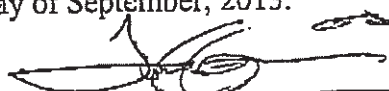
10 20. Lankenau & Miller, LLP, The Gardner Firm, P.C. and Outten & Golden, LLP,
11 and David Reeder have been vigorously prosecuting this action. I believe they are all well-
12 qualified to serve as class counsel in Capizzi II.

13 **Mediation and Settlement**

14 21. On August 27, 2013, all parties to Capizzi I and Capizzi II, and their counsel
15 participated in a day-long mediation presided over by the Hon. Mitchell Goldberg (retired). I
16 was present and actively participated in the mediation. The mediation went well into the
17 evening and resulted in the settlement described in the settlement agreement, which is
18 attached to the Declaration of John Hedge as Exhibit "1" (the "Agreement").

19 22. It is my opinion, based on my active involvement in the settlement negotiations
20 and my consultation with class counsel, that the settlement terms set out in the Agreement are
21 in the best interests of the above-described class members and that the settlement is fair,
22 reasonable and adequate.

23
24 I declare under penalty of perjury that the foregoing is true and correct, and that this
25 declaration was executed on this 25 day of September, 2013.

26
27 
28 THOMAS C. CAPIZZI

DECLARATION OF ANTHONY BARCELO

I, Anthony Barcelo, declare as follows under penalty of perjury:

1. I am over the age of eighteen years. I have personal knowledge of the facts attested to in this declaration and, if called upon to do so, could and would competently thereto.

Capizzi I

2. I am a named Plaintiff in the class action adversary proceeding pending in the United States Bankruptcy Court for the Central District of California, Los Angeles Division entitled Thomas C. Capizzi and Anthony Barcello vs. AWTR Liquidation, Inc., f/k/a Rhythm And Hues, Inc., Adv. No. 2:13-ap-01209-NB ("Capizzi I"). In Capizzi I, class plaintiffs seek to, on behalf of the class, recover up to 60 days' pay and benefits against the Defendant under the Worker Adjustment and Retraining Notification Act of 1988 ("WARN Act") (29 U.S.C. §§ 210 I -2109) and its California counterpart California Labor Code §§ 1400 -1408 (collectively, the "WARN Act").

3. I submit this declaration in support of Plaintiffs' Joint Motion Of Debtor, Committee And Proposed Class Representatives, In Accordance With Proposed Stipulation Of Class Settlement: (A) To Approve Proposed Compromise Of Claims In Adversary Proceedings; And (B) In Accordance With Fed. R. Bankr. P. 7023, To (i) Preliminarily Approve Settlement Between The Debtor And Certain Former Employees, (ii) Approve The Form And Manner Of Notice Of The Settlement, (iii) Schedule Fairness Hearing To Consider Final Approval Of Settlement And (iv) Subsequent To The Fairness Hearing, Finally Approve The Settlement ("Joint Motion").

4. I reside at 1032 Mather Ave., Sunland, CA 91040.

5. From approximately November 17, 2012 until February 10, 2013, I was employed as a compositing technical director at the Facility. For this work, I was paid \$43 an hour by Defendant for about 67 hours per week. I did not participate in any company sponsored insurance plans.

6. I first learned that I would be terminated on February 10, 2013. On that day, I

1 received a phone call in which I was told I was terminated. Days later, I received a written
2 termination letter by mail and email.

3 7. Immediately prior to my termination, I believe that close to seven hundred
4 individuals worked at or reported to the Facility. On or about February 10, 2013 or within 30
5 days of that date, or thereafter, approximately 254 employees who worked at or reported to
6 the Facility, including myself, were terminated as a result of the mass layoff that occurred at
7 the Facility on or about February 10, 2013. I believe that my termination and that of the
8 others terminated from the Facility on or about February 10, 2013, within 30 days of that date,
9 or thereafter constituted a mass layoff under the WARN Act for which we were entitled to 60
10 days' advance written notice.

11 8. Prior to February 10, 2013, I did not receive any written notice from Defendant
12 indicating that there would be a mass layoff at the Facility on or about February 10, 2013. To
13 the best of my knowledge, prior to February 10, 2013, none of the other former employees
14 who were also terminated as part of the February 10, 2013 mass layoff received any written
15 notice indicating that there would be a mass layoff at the Facility on or about February 10,
16 2013. Prior to February 10, 2013, I did not receive any written notice from Defendant
17 indicating that I would be terminated on or about February 10, 2013. To the best of my
18 knowledge, prior to February 10, 2013, none of the other employees who were also
19 terminated as part of the February 10, 2013 mass layoff received any written notice indicating
20 that they would be terminated on or about February 10, 2013. I have not received nor, to the
21 best of my knowledge, have any of the other individuals terminated as part of the February
22 10, 2013 mass layoff, or thereafter as the foreseeable result of the February 10, 2013 mass
23 layoff, received any payments from Defendant under the WARN Act.

24 9. I believe that my WARN rights, as well as the WARN rights of the other
25 employees terminated as part of the February 10, 2013 mass layoff, or thereafter as the
26 foreseeable result of the February 10, 2013 mass layoff, were violated. Because the
27 circumstances of my termination are the same as those of the other individuals terminated as
28 part of the February 10, 2013 mass layoff, or thereafter as the foreseeable result of the

1 February 10, 2013 mass layoff, the factual and legal issues bearing on my WARN claim and
2 the WARN claims of the other class members (except for damages) are the same. I have no
3 conflict of interest with any former employee terminated as part of the February 10, 2013
4 mass layoff, or thereafter as the foreseeable result of the February 10, 2013 mass layoff.

5 10. Following my termination, I retained counsel to assert a WARN Act claim on
6 my behalf as well as a class claim on behalf of the other employees who were terminated as
7 part of the February 10, 2013 mass layoff, or thereafter as the foreseeable result of the
8 February 10, 2013 mass layoff.

9 11. I have been actively involved in prosecuting this action on behalf of the other
10 former employees who were terminated as part of the February 10, 2013 mass layoff, or
11 thereafter as the foreseeable result of the February 10, 2013 mass layoff. I have actively
12 assisted Outten & Golden LLP, Lankenau & Miller, LLP, The Gardner Firm, P.C. and Reeder
13 Law Corporation in the prosecution of this action.

14 12. My claim against the Defendant under the WARN Act equals approximately
15 \$17,919. The small size of my claim, my financial situation and the cost of attorney's fees
16 leave me unable to pursue this claim as a sole litigant. I believe that the other former
17 employees who were terminated as part of the February 10, 2013 mass layoff, are similarly
18 situated and unable to prosecute their claims under the WARN Act except through a class
19 action.

20 13. Outten & Golden LLP, Lankenau & Miller, LLP, and The Gardner Firm, P.C.
21 specialize in WARN Act litigation and they, along with Reeder Law Corporation, have been
22 vigorously prosecuting this action. I believe they are all well-qualified to serve as class
23 counsel.

24 **Mediation and Settlement**

25 14. On August 27, 2013, all parties to Capizzi I and Capizzi II, and their counsel
26 participated in a day-long mediation presided over by the Hon. Mitchell Goldberg (retired). I
27 was present for much of the day, and actively participated in the mediation. The mediation
28 went well into the evening and resulted in the settlement described in the settlement

1 agreement, which is attached to the Declaration of John Hedge as Exhibit "1" (the
2 "Agreement").

3 15. It is my opinion, based on my active involvement in the settlement negotiations
4 and my consultation with class counsel, that the settlement terms set out in the Agreement are
5 in the best interests of the above-described class members.
6

7
8 I declare under penalty of perjury that the foregoing is true and correct, and that this
9 declaration was executed on this 26TH day of September, 2013.
10

11 
12 ANTHONY BARCELO
13
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PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
1900 Avenue of the Stars, 21st Floor, Los Angeles, CA 90067-4590

A true and correct copy of the foregoing document entitled (*specify*): **JOINT MOTION OF DEBTOR, COMMITTEE AND PROPOSED CLASS REPRESENTATIVES, IN ACCORDANCE WITH PROPOSED STIPULATION OF CLASS SETTLEMENT: (A) TO APPROVE PROPOSED COMPROMISE OF CLAIMS IN ADVERSARY PROCEEDINGS; AND (B) IN ACCORDANCE WITH FED. R. BANKR. P. 7023, TO (I) PRELIMINARILY APPROVE SETTLEMENT BETWEEN DEBTOR AND CERTAIN FORMER EMPLOYEES, (II) APPROVE FORM AND MANNER OF NOTICE OF SETTLEMENT, (III) SCHEDULE FAIRNESS HEARING TO CONSIDER FINAL APPROVAL OF SETTLEMENT, AND (IV) SUBSEQUENT TO FAIRNESS HEARING, FINALLY APPROVE SETTLEMENT; MEMORANDUM OF POINTS AND AUTHORITIES; DECLARATIONS OF JOHN F. HEDGE AND THOMAS C. CAPIZZI AND ANTHONY BARCELO IN SUPPORT THEREOF** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):

Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) September 27, 2013, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

On (*date*) September 27, 2013, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☒ Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served):

Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) September 27, 2013, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

VIA OVERNIGHT MAIL

The Honorable Neil W. Bason
United States Bankruptcy Court
255 E. Temple Street, Suite 1552
Los Angeles, CA 90012

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

September 27, 2013
Date

Sonia Gaeta
Printed Name

/s/Sonia Gaeta
Signature

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):

FOR CASE NO. 2:13-BK-13775-NB

Ana B Acevedo on behalf of Interested Party JS
Communications, Co. Ltd.

aacevedo@omm.com

Wayne M. Smith with Warner Bros.

wayne.smith@warnerbros.com

Committee member

Yolanda S Aguilar

Courtesy NEF

David E Ahdoot

Courtesy NEF

Lorie A Ball

dahdoot@bushgottlieb.com,

jpalmer@bushgottlieb.com

lball@peitzmanweg.com

Courtesy NEF, Creditor Warner Bros Pictures, a division of
WB Studio Enterprises Inc., New Line Productions, Inc.,
and 300 Pictures, Inc.

Vivian Bodey

tuntm.bodey@irsounsel.treas.gov

Courtesy NEF

Shawn M Christianson

cmcintire@buchalter.com

Courtesy NEF

Gail L Chung

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for Anthony Barcelo

Ronald Clifford

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for Anthony Barcelo

seb@blakeleyllp.com

Brian L Davidoff

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for AWTR Liquidation, Inc.,

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kwoodson@greenbergglusker.com;

calendar@greenbergglusker.com;

sgaeta@greenbergglusker.com

Lisa.Fenning@aporter.com,

Jean.Kellett@aporter.com

Lisa Hill Fenning

For Side Effects Software, Inc. and S.E. Software, Inc.,

Rockwood Capital, LLC

H Alexander Fisch

afisch@stutman.com

for the Official Committee of Unsecured Creditors

Scott F Gautier

sgautier@peitzmanweg.com

Courtesy NEF

Brian T Harvey

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on behalf of Creditor Oracle America, Inc.

IFS_filing@buchalter.com;rreeder@buchalter.com

Michael C Heinrichs

mheinrichs@omm.com

on behalf of Interested Party JS Communications, Co. Ltd.

Ivan L Kallick

ikallick@manatt.com, ihernandez@manatt.com

Courtesy NEF, Psyop Media Company, LLC

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for AWTR Liquidation, Inc.,

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pporooshani@greenbergglusker.com

mal@msk.com, mec@msk.com

Mary D Lane

Courtesy NEF

Dare Law

dare.law@usdoj.gov

for U.S. Trustee United States Trustee (LA)

C John M Melissinos

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calendar@greenbergglusker.com;

sgaeta@greenbergglusker.com

tunt@omnimgt.com

Katie Nownes

Courtesy NEF
Danielle A Pham
for the Official Committee Of
Unsecured Creditors
Courtney E Pozmantier
for AWTR Liquidation, Inc.,
David M Reeder
Thomas C. Capizzi
Victor A. Sahn
Courtesy NEF

Claire E Shin
for AWTR Liquidation, Inc.,

Lori Sinanyan
for Twentieth Century Fox, Universal City Studios LLC

Alan D Smith
for Wells Fargo Bank, N.A. as Trustee for the registered
holders of J.P. Morgan Chase Commercial Mortgage
Securities Trust 2011-C3, Commercial Mortgage Pass-
Through Certificates, Series 2011-C3
United States Trustee (LA)
for U.S. Trustee
Richard Lee Wynne
for Twentieth Century Fox, Universal City Studios LLC

dpham@stutman.com, daniellepham@gmail.com

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sgaeta@greenbergglusker.com
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vsahn@sulmeyerlaw.com,
agonzalez@sulmeyerlaw.com, asokolowski@sulmeyerlaw.com
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kwoodson@greenbergglusker.com; calendar@greenbergglusker.com;
sgaeta@greenbergglusker.com
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lsinanyan@ecf.inforuptcy.com

adsmith@perkinscoie.com

ustpregion16.la.ecf@usdoj.gov

rlwynne@jonesday.com, sjperry@jonesday.com

FOR CASE NO. 2:13-1p-01209-NB

David E Ahdoot on behalf of Interested Party Courtesy NEF

dahdoot@bushgottlieb.com,
jpalmer@bushgottlieb.com

C John M Melissinos on behalf of Defendant AWTR
Liquidation Inc

jmelissinos@greenbergglusker.com,
jreinglass@greenbergglusker.com;
kwoodson@greenbergglusker.com;
calendar@greenbergglusker.com;
sgaeta@greenbergglusker.com

Danielle A Pham on behalf of Creditor Committee Official
Committee Of Unsecured Creditors

dpham@stutman.com, daniellepham@gmail.com

Courtney E Pozmantier on behalf of Defendant AWTR
Liquidation Inc

cpozmantier@greenbergglusker.com,
kwoodson@greenbergglusker.com;sgaeta@greenbergglusker.com;
calendar@greenbergglusker.com

Courtney E Pozmantier on behalf of Interested Party
Courtesy NEF

cpozmantier@greenbergglusker.com,
kwoodson@greenbergglusker.com;sgaeta@greenbergglusker.com;
calendar@greenbergglusker.com

David M Reeder on behalf of Plaintiff Thomas C. Capizzi
United States Trustee (LA)

david@reederlaw.com, jessica@reederlaw.com
ustpregion16.la.ecf@usdoj.gov

FOR CASE NO. 2:13-ap-01463-NB

| | |
|--|--|
| David E Ahdoot on behalf of Interested Party Courtesy NEF | dahdoot@bushgottlieb.com, jpalmer@bushgottlieb.com |
| C John M Melissinos on behalf of Defendant AWTR Liquidation Inc | jmelissinos@greenbergglusker.com, jreinglass@greenbergglusker.com; kwoodson@greenbergglusker.com; calendar@greenbergglusker.com; sgaeta@greenbergglusker.com |
| Danielle A Pham on behalf of Creditor Committee Official Committee Of Unsecured Creditors | dpham@stutman.com, daniellepham@gmail.com |
| Courtney E Pozmantier on behalf of Defendant AWTR Liquidation Inc | cpozmantier@greenbergglusker.com, kwoodson@greenbergglusker.com; sgaeta@greenbergglusker.com; calendar@greenbergglusker.com |
| David M Reeder on behalf of Plaintiff Thomas C. Capizzi | david@reederlaw.com, jessica@reederlaw.com |
| United States Trustee (LA) | ustpregion16.la.ecf@usdoj.gov |

2. SERVED BY UNITED STATES MAIL:

AWTR Liquidation, Inc.
Attn: John F. Hedge, CRO
c/o Scouler & Company
1801 Century Park East, Suite 2400
Los Angeles, CA 90067

REQUEST FOR NOTICE
ValleyCrest Landscape Maintenance, Inc.
Thomas A. Kuehn, Esq.
24151 Ventura Blvd.
Calabasas, CA 91302

REQUEST FOR NOTICE
The TV Candy Store, Inc.
James Deloye, President
1300 W. Hood Ave. Suite 2
Chicago, IL 60660

Official Committee of Unsecured
Creditors
Gary E. Klausner, Esq.
Stutman Treister & Glatt PC
1901 Avenue of the Stars, 21st Floor
Los Angeles, CA 90067

Counsel for Thomas Capizzi and Anthony Barcelo,
as Putative Class Plaintiffs in Adversary Proceeding
Nos. 2:13-1p-01209-NB and 2:13-ap-01463-NB

David M. Reeder, Esq.
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Los Angeles, California 90067

Mary E. Olsen, Esq.
M. Vance McCrary, Esq.
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The Gardner Firm, P.C.
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Mobile, Alabama 36602

Stuart J. Miller, Esq.
Lankenau & Miller, LLP
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New York, New York 10038

Jack A. Raisner, Esq.
René S. Roupinian, Esq.
Outten & Golden LLP
3 Park Avenue, 29th Floor
New York, New York 10016